

Employee-driven norm entrepreneurship for corporate social responsibility

Working Paper

In recent years, governments and non-governmental actors have developed corporate social responsibility¹ (CSR) guidelines and recommendations for business actors to engage in CSR. One prominent example is the ratification of the sustainable development goals (SDGs), totalling 17 goals. Goal eleven, responsible production and consumption pertains particularly to business contexts. However, the issues addressed within the goals are complex, thus there is leeway for own interpretations about how related CSR norms should be developed within organisations and too reach across organisational boundaries. This leads to a variety of interpretations about how to behave appropriately. Not all businesses plan to sincerely adhere to such norms and for instance decouple by building mechanism of CSR reporting rather than actually implementing those (e.g. Egels-Zandén, 2017; Onkila and Siltaoja, 2017). Thus, corporate scandals of irresponsible behaviour continue to appear. While multinational corporations (MNCs) are increasingly required by law to satisfy CSR norms such compliance reporting, small and medium enterprises (SMEs) are not, and thus can experience difficulties to navigate their CSR activities in this maze (Frynas and Yamahaki, 2016; Graafland et al., 2004; Lepoutre and Heene, 2006; Russo and Tencati, 2009; Spence, 2007).

CSR, as a norm, has changed over time (Sullivan, 2003) and can be defined as “standards of appropriate behaviour for actors with a given identify” (Finnemore and Sikkink, 1998, p. 981). How norms are defined and redefined is a continuing process and shaped by various actors, ranging from regulatory bodies, corporations, consumers, shareholders to civil society organisations. The pro-active pursuits of setting CSR norms can be referred to social activism (Van Cranenburgh, et al. 2013). Social activists have been predominantly studied from an external perspective, such as consumers boycotting corporations with irresponsible behaviour, or shareholders pressuring managers to change their practices into more ethical business practices (Sjöström, 2010). However, whether employees can take up such active role has been

¹ In this article, the definition suggested by Rasche et al. (2017, p. 6) is adopted: “CSR refers to the integration of an enterprise’s social, environmental, ethical and philanthropic responsibilities towards society into its operations, processes and core business strategy in cooperation with relevant stakeholders.”

widely ignored in current research. This is surprising, as employees on the one hand, are consumers themselves and on the other hand have the position to directly influence corporate behaviour by their own decisions or practices. More specifically, employees can advocate their values in direct dialogue with corporate management or in the relationship to external stakeholders, such as suppliers, competitors, consumers, and the government. In this process, employees can take part in shaping new norms, such as about what CSR really is or ought to be. This article sets out to fill the gap within literature on CSR activism by addressing the role of employees in shaping new norms. More specifically, I suggest that employee-driven CSR activism can be analytically understood as norm entrepreneurship (see Ingebritsen, 2002; Sjöström, 2010) by asking the research question: How do employees enact (i.e. persuade) CSR norms at a SME? This particular focus is chosen, because CSR literature lacks the understanding of micro-processes in the formation of CSR at corporations (Avery et al., 2007; Collier and Esteban, 2007; Hakanen et al., 2008; Harter et al., 2002; Wickert and Bakker, 2018). More specifically, the role of employees, not only as CSR recipients, i.e. social benefits, but also as CSR developers are as a primary stakeholder to the organisation potentially influential in such processes (Sendlhofer, forthcoming).

This article presents an in-depth case study of a SME, that is pushing the boundaries of CSR activities beyond widespread industry norms. It explores how the individuals at a SME are socially active and thus act as norm entrepreneurs in their organisational life. The empirical part of this article illustrates the various persuasion strategies, which are integrated in day-to-day practices, targeting external stakeholders of the SME.

The contributions of this study are twofold. First, it contributes to CSR literature in general by generating new insights into the microfoundations of CSR, namely employee-driven CSR at SMEs, a prevalently gainsaid finding. Second, the concept of norm entrepreneurship is further developed and thus strengthened. The study discovers that employees are promising sources for norm entrepreneurship, as well as refines it conceptually by suggesting two strategies to be vital: *contesting and candid transparency*.

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