Chapter 14
Negotiating Corporate Social Responsibility Reporting

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ABSTRACT
This chapter examines and compares two deliberations on developing Corporate Social Responsibility (CSR) reporting: mandatory reporting within the financial reporting framework and voluntary reporting within the Global Reporting Initiative’s (GRI) Sustainability Guidelines reporting framework. While the organizational sponsors of these initiatives differ, similar interests actively participated in each—corporate actors, accountancy organizations, and financial sector participants. In addition, members of civil society interested in advancing transparency in corporate social and environmental performance joined the GRI development. Institutional theory provides the underlying approach to understanding these developments (Barley & Tolbert, 1997) and includes the perspective of meta-conversation developed by Robichaud et al. (2004). Content analysis is used to examine rhetorical strategies in the comment letters received by the American Institute of Certified Public Accountants (AICPA) and the GRI as part of these two deliberations. Evidence suggests preparers of reports undertake CSR reporting as a defense against more coercive regulatory regimes, and accountancy-related organizations attempt to negotiate CSR norms as replicates of norms in financial reporting, supporting institutional theory.

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INTRODUCTION

Theoretical Background

Institutional theory suggests ways in which individuals organize themselves in arrangements that endure both over time and across particular organizational settings. Springing from the sociological literature, it holds that individuals act within webs of “values, norms, rules, beliefs, and taken-for-granted assumptions that are at least partially of their own making” (Barley and Tolbert 1997, 93). These webs represent ‘institutions’ and carry enduring organizing principles that guide action within and across particular settings. Institutions are seen as “consisting of established and enduring patterns of beliefs and practices that apply at both the micro-level within organizations and at the macro-level across organizations” (Lammers & Barbour 2006, 362). Institutions exercise constraints on how things can/should be done; however, these constraints are subject to change (Barley and Tolbert 1997, 94). Furthermore, institutions guide and/or constrain not only individual behaviors, but also the behavior of collectives - be they organizations, industries, or societies. Collectives organized around actions that are goal-directed represent communities of practice, and their actions are guided by institutional norms.

Within the organizational communication literature, institutions are seen as “constellations of established practices guided by formalized, rational beliefs that transcend particular organizations and situations” (Lammers and Barbour 2006, 364). The enduring characteristics of institutions are expressed in institutional rhetoric, and this rhetoric is used in “externally directed corporate expression[s] of relatively formal collective entities” (Finet 2001, 274). Finet continues that this rhetoric is “intended to influence the larger social normative climate”, including that in which other organizations with regulatory powers work (p. 274). There exists, then, a larger arena in which actors employ institutional rhetoric in attempts to perpetuate existing norms across organizational settings.

Developing a reporting framework for novel phenomena like environmental and CSR performance is significantly a process of sense-making in which participants negotiate norms that contribute to formation of a new institution. Individuals engaged in the effort should be influenced by the institutional norms prevalent in the communities of practice in which they hold membership. The phenomena under consideration transcend the traditional boundaries of any single community of practice and engage multiple communities including financial reporting, civil society, and business.

Development of institutional norms is invested with power processes and ideological relationships that are not obvious from a simple reading of texts included in any particular deliberation of focus (Boje et al 2004, 574). Organizations and communities struggle internally to define practices and then to define themselves consistent with these practices. These same organizations and communities also operate in institutional fields populated with other organizations and communities. Negotiating definitions of practice, including new practice, occurs within these fields that cross organizational/community boundaries. As a result, the two deliberation episodes of interest in this study are viewed as more than isolated conversations. They are viewed as instances of organizing meaning that are connected to other efforts to organize meaning, and they take place in a field that spans established institutional boundaries. The two sponsoring organizations that are involved — the AICPA and the GRI — each vie for recognition as legitimate authorities on environmental reporting, but the institutional domains in which the deliberations take place are markedly different.

Many of the participants who contribute to the deliberations speak as representatives of other conversational/cognitive domains of participants and interests. This feature of speaking on behalf of