Patterns and Explanations of Corporate Voluntary Norm Compliance: Results from a Structured Focused Comparison of German G500 in the Global Reporting Initiative

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Abstract

In new forms of voluntary approaches to regulation (VAR) the functional division of labour between the private and the public sector is blurred. Companies have taken on authoritative roles and regulatory functions in national and transnational contexts. Given the growing use of corporate social responsibility (CSR) initiatives, it is important to understand the extent to which companies comply with non-binding norms, the factors that affect compliance, and the strategies available to increase it. This article detects patterns and explanations of the outcome of a transnational multi-stakeholder VAR in the field of sustainability reporting. It analyses voluntary norm compliance of Global Fortune 500 companies originating from Germany (German G500) in the Global Reporting Initiative (GRI). I start introducing descriptive categories and distinguish three patterns of corporate norm-consumership: all-embracing norm-consumers, incomplete norm-consumers, and non-consumers. Next, I discuss corporate norm compliance in the GRI and highlight the research methodology and case selection. Then, I apply a framework for analyses that combines the isomorphism approach from sociological neo-institutionalism with an actor-level perception argument. I present findings from a structured focused company comparison, test domestic and transnational factors of influence and come up with the conclusion that a causal complex consisting of one necessary and eight significant conditions adds explanatory value.

Zusammenfassung

Unternehmen sind zunehmend als politische Akteure ko- und/oder selbstregulativ an grenzüberschreitenden umweltpolitischen Normsetzungs- und Normdurchsetzungsprozessen beteiligt. Angesichts der wachsenden Anzahl transnationaler Selbstregulierungsarrangements analysiert der Beitrag deren handlungsanleitende Wirkungen auf Akteursebene. Mit einem besonderen Fokus auf unterschiedliche Erscheinungsformen und Einflussfaktoren wird die freiwillige Normbefolgung deutscher Unternehmen der G500 in der Global Reporting Initiative (GRI) untersucht. Gemäß dem eingeführten Konzept von unternehmerischem Normkonsumententum werden Unternehmen anhand des Ausmaßes ihrer Normbefolgung als vollständige Normkonsumenten, unvollständige Normkonsumenten oder Nichtkonsumenten unterschieden. Nach der Darlegung unternehmerischer Normbefolgung in der GRI werden die Untersuchungsmethode und die Fallauswahl vorgestellt. Die kausalanalytische Betrachtung basiert auf einem Herkunftslandkonzept, in dem der Isomorphismusansatz des soziologischen Neoinstitutionalismus um eine mikroanalytische Fundierung erweitert wird. Ein strukturiert-fokussierter Unternehmensvergleich testet den Einfluss nationaler und transnationaler Faktoren und führt auf der Grundlage der systematischen Auswertung halbstandardisierter Experteninterviews mit Unternehmensvertretern eine notwendige und acht signifikante Bedingungen in einem kausalen Bedingungskomplex zusammen, der für das vollständige Normkonsumententum deutscher Unternehmen der G500 Erklärungskraft besitzt.

1 Introduction

A growing body of voluntary approaches to regulation (VAR) is applied in several countries and transnational contexts, especially in the environmental sector (see for example Töller, 2011; Dingwerth & Pattberg, 2009).[1] VAR are seen as part of a new interplay between the state, business and civil society (Flohr et al., 2010a) with companies taking on voluntary (self-)regulatory functions. There is some empirical evidence of banking, chemical, forestry and insurance companies committing themselves to public-private or private self-regulatory initiatives, e.g. to reduce greenhouse gas emissions, hazardous waste, or rain forest destruction. The emergence of voluntary eco-labeling systems, codes of conduct, certification or reporting schemes reflects the increased use of VAR, even though they highly differ from a cross-national perspective and with regard to the number and types of actors involved, and the steering mechanisms and instruments applied. Their increased use raises questions of both, the input and the output dimension of environmental governance. According to Scharpf (1999), governing processes are generally responsive to the manifest preferences of the governed and the

[1] I thank Farhood Badri, Thomas Gehring, Annette Elisabeth Töller and the anonymous reviewer from GPS for valuable comments on earlier versions of the article.

policies adopted have to generally represent effective solutions to common problems of the governed. With regard to the latter dimension, the *output* of a VAR can be defined as the commitments of actors, the *outcome* includes changes of behavior based on such commitments, and the *impact* can be understood as the contribution to problem solving resulting from changes of behavior (Underdal, 2004, p. 34). Given the growing use of new forms of public-private or even private VAR, it is important to understand the extent to which companies comply with non-binding norms, the factors that influence compliance, and the strategies available to increase it.

Thus, the article focusses on the outcome of a transnational multi-stakeholder VAR in the field of sustainability reporting. It asks how transnational business self-regulation is carried out in the Global Reporting Initiative (GRI) and tests factors of influence that create or enhance a company's willingness to comply with norms based on voluntary self-commitments.[2] With a focus on the actor level, I test competing hypotheses on the influence of different national conditions. With a focus on the German domestic context, I present the results from a structured focused comparison of systematically selected Fortune Global 500 companies originating from Germany (German G500). I detect different patterns of voluntary corporate norm acceptance and norm implementation in the GRI and highlight the factors of influence and underlying causal mechanisms by which German G500 are likely to contribute to transnational voluntary environmental self-regulation.

The article proceeds in several steps. Section 2 starts conceptualizing companies as political actors and introduces descriptive categories and indicators which help to identify different patterns of corporate voluntary norm compliance. Three patterns of corporate norm-consumership are distinguished: Companies that comprehensively comply (all-embracing norm-consumers), comply sporadically (incomplete norm-consumers) or do not comply at all (non-consumers). Next, section 3 discusses corporate vol-

[2] The GRI's overall contribution to solve the global problem of intransparency is not in the focus of this article.

untary norm compliance in the GRI. Section 4 presents the research methodology and systematic selection of five extreme cases. Section 5 introduces a home state-framework for analysis that applies a modified isomorphism approach from sociological neo-institutionalism combined with an actor-level perception argument. It differentiates between coercive, mimetic and normative isomorphic pressures as causal mechanisms. Drawing on data from semi-structured expert interviews with company representatives, section 6 discusses the explanatory value of factors of influence and causal mechanisms in the political, societal and economic dimension of origin and on the transnational level. It comes up with the conclusion that the willingness of German G500 to engage proactively in the GRI is influenced by a causal complex consisting of one necessary and eight significant conditions. The final section 7 summarizes the empirical findings and sketches future steps for research.

2 Defining patterns of voluntary corporate norm compliance

In environmental VAR the functional division of labour between the private and the public sector is blurred. Companies have taken on authoritative roles and regulatory functions (Hall & Biersteker, 2002; Cutler et al., 1999).

> "The earlier distinction between governments as being public in form and public in purpose, while actors from civil society were regarded as private in form and public in purpose, and business corporations as being private in form and private in purpose, is no longer valid" (Flohr et al., 2010a, p. 4).

In the evident fragmentation of political authority companies have wider responsibilities than simply to make money for their shareholders, as classical economics, most notably Milton Friedman, long have argued (Friedman 1970). According to the revised definition of corporate social responsibility (CSR) by the European Commission released in October 2011, CSR is "the responsibility of enterprises for their impacts on society" (European Commission, 2011, p. 6). Companies are discovered as *po-*

litical partners with significant regulatory capacities, e.g. technical expertise or extensive financial resources for solving global environmental problems. Indeed, a growing number of companies is engaged voluntarily in transnational processes of norm setting and norm implementation. But, transnational environmental VAR are not fully enforced in consistent ways. Cross-national or even national variation in corporate voluntary norm-related behavior persists. The mere existence of transnational environmental VAR does not preclude companies from green-washing themselves or contributing to environmental degradation.[3] The *deepwater horizon* oil spill disaster of BP in the Gulf of Mexico in 2010 is only one example of how companies still notoriously damage air and water quality, produce non-degradable waste or contribute to the change of the world's climate. Arguably, critical scholars thus question the willingness of companies to take voluntary steps to eliminate or minimize adverse impacts of business actions on the natural environment and to act in the general interest (see for example Banerjee, 2007).

Even if we do not share such a general negative appraisal, corporate voluntary norm-related behavior in the context of transnational environmental VAR is, to say it least, multifarious: While many companies still do business as usual and resist complying, others engage sporadically, and only a few companies have currently begun to contribute proactively to processes of voluntary norm acceptance and norm implementation.

Notwithstanding the fact that most transnational VAR in environmental governance struggle with corporate compliance gaps, much of the existing literature has left the level of corporate norm application as something of a black box (Vogel, 2008, p. 276). The outcome dimension of transnational VAR is neglected for several reasons: Scholars predominantly focus on processes of norm setting and ask for the conditions under which new transnational norms emerge, how they develop, how they interact, and in how far they contribute to an emerging transnational governance architecture (Flohr et al., 2010a). In the literature,

[3] VAR sometimes even allow companies to green-wash themselves in the first place (Conzelmann & Wolf, 2008, p. 98).

there is often a sense that VAR are out there and just come about – with an associated feeling of determinism and functionalism (Djelic & Sahlin-Andersson, 2006, p. 2).

In a functionalistic understanding voluntary norm compliance is exclusively induced by the institutional design features of VAR. While rationalist scholars concentrate on positive and negative incentives such as the provision of club goods (Potoski & Prakash, 2009), constructivists conceive of corporate voluntary norm compliance as a process of norm internalization. They postulate that the emergence of global standards of appropriate business behavior affect companies' preferences to act in the general interest:

> "If you want to be a socially accepted 'global player' these days, you had better subscribe at least to some international human rights and environmental standards, and you had better report about your efforts at implementing these norms through changes in management and production rules" (Risse, 2007, p. 135).

But, first and foremost, the impact of VAR is neither deterministic nor is corporate norm compliance a self-fulfilling prophecy. The existence of certain VAR does not imply that companies de facto implement the norms they have committed to.

As previously mentioned, corporate voluntary adoption of norms can take on many forms, even the form of window-dressing. Companies can (and do) decouple structure from process and thus create compliance gaps between formally stated norms and given corporate practices. Thus, it is crucial to assess different patterns of corporate voluntary compliance with transnational norms. We first need to pay close attention to the question: How is transnational business self-regulation carried out? The literature on transnational VAR identifies two general behavioral patterns to indicate corporate voluntary norm-related behavior. Companies can contribute to norm setting and norm development processes and thereby engage as *norm-entrepreneurs* or/and they can accept and implement certain norms and act as *norm-consumers* (Wolf & Schwindenhammer, 2011; Flohr et al., 2010a, p. 18f.).

Norm-entrepreneurs support the institutionalization of a new norm by adopting unilateral company codes, by lobbying for it among their peers or by engaging in the creation of a collective self-regulatory approach. After a norm has already reached a certain level of institutionalization, a company can still engage as a norm-entrepreneur through norm development activities, for example by further specifying a norm's implied requirements.In contrast, corporate norm-consumers, which are in the focus of this article, engage in processes of norm acceptance and norm implementation.

The concept of corporate norm-consumership refers to compliance research. Although most scholars focus on the compliance of states (Raustiala & Slaughter, 2002; Haas, 2000) certain conceptualizations and assumptions can be equally used for the analysis of companies (Schäferhoff et al., 2009). Compliance research classically focusses on the question why states do *not* comply with international norms. Non-compliance has two fundamentally different origins: It can be intentional and therefore demonstrates the unwillingness of an actor to implement a certain norm, or it can be unintentional, indicating an actor's incapacity to norm implementation (Haas, 2000). With regard to corporate actors, the latter case is particularly relevant to small and medium sized companies that lack problem solving resources. In contrast, German G500 belong to the world's largest companies that have the capacity to accept and implement the norms of transnational VAR in environmental governance. Even though compliance research offers a helpful theoretical starting point, it lacks comprehensive tools to uncover the multidimensionality between the extreme values of corporate compliance and non-compliance. Thus, I apply the concept of corporate norm-consumership that allows for further differentiation with regard to varying compliance levels. The unanswered question is: What factors of influence create or enhance a company's *willingness* to comply voluntarily with transnational environmental norms?

Corporate norm-consumership sheds light on in how far a company actually implements the norms it has accepted as binding upon it – either unilaterally[4] or within the framework of collective VAR. At first glance, it is a rather simple form of following or not following norms. It becomes more demanding when we look at the character and content of the norms that constitute transnational environmental VAR. They are voluntary in character and sometimes imprecise. They are not binding upon any company but go beyond what statutory environmental regulations prescribe. Accordingly, voluntary norm compliance implies to go beyond legal obligations and to contribute to the provision of public goods. The behavioral options of corporate norm-consumers can be distinguished as either norm acceptance or norm implementation.

Norm acceptance takes place after a norm has been institutionalized. It implies a company's active public acknowledgement that it is bound to a certain norm and is practiced by acceding to an existing collective VAR. Accordingly, it is measured by a company's *formal accession* to a self-regulatory initiative and its *public norm commitment*. Most initiatives have established special procedures for companies to commit themselves. Some only require a signature expressing a company's commitment (such as the United Nations Environment Programme Finance Initiative), whereas others have more formal accession criteria including the prior certification of norm conforming behavior (such as the Marine Stewardship Council). The latter phenomenon shows that norm acceptance, depending on the institutionalized procedures of certain transnational VAR, may indeed require more serious and extensive corporate efforts than it seems at first sight.

Norm implementation refers to the question if and to what extent a company actually follows the norms that it has accepted as binding. Without such adaptation, norms would not be integrated into the core business of a company – which is a central demand of all VAR. While setting and developing norms may occur as a collective process, norm implementation always requires individual effort of a company to adjust its practices. It involves continuous corporate assessment and refinement activities and can

[4] Unilateral environmental commitments, such as company codes of conduct or supply chain management systems, are not in the focus of this article.

take on many forms depending on what an initiative prescribes. As the literature on transnational standards has shown, in most cases, companies have to translate abstract norm provisions into concrete behavior (Brunsson & Jacobsson, 2002). They need to create CSR institutions and procedures *within* companies (Moon et al., 2011, p. 215) to guide managerial attention and to allocate responsibilities. Full norm implementation requires an enduring change of behavior, an internal adaptation of strategies, structures and procedures, and, in some cases, a third party assessment of norm compliance. Accordingly, it is measured by the corporate *change of behavior over time*, an *internal adaptation* and an *external assessment*.

Depending on the degree a company fulfils the five indicators for norm acceptance and norm implementation, three patterns of norm-consumership can be distinguished (Schwindenhammer, 2011, p. 92f.): A company can comprehensively accept and implement a transnational norm (*all-embracing norm-consumer*), comply sporadically if it acknowledges that it is bound to the norm but, if at all, implements the norm on an irregular basis (*incomplete norm-consumer*), or resist to accept and implement the norm (*non-consumer*).

3 Voluntary corporate norm compliance in the Global Reporting Initiative

By the mid 1990s, increased external stakeholder demands for corporate transparency influenced companies to release voluntary environmental, social and, later on, also sustainability reports.[5] Corporate transparency beyond the financial bottom line became one constitutive element of socially responsible, or, in other words, appropriate business behavior (Dingwerth & Pattberg, 2009, p. 712f.). The idea is that if a company makes information available to the public about its revenues, pollutants, or labor

[5] Sustainability reporting is the process of communicating the social and environmental effects of an actor's economic actions to particular stakeholder groups within society and society at large.

conditions, this will create a form of accountability (Haufler, 2006, p. 48).

Simultaneously, various voluntary reporting schemes emerged in that time. Notwithstanding that mandatory disclosure of specific information related to corporate activities, such as environment, health and safety issues, already existed before, the early spread and use of voluntary reporting schemes was mainly driven by private actors.

The evolution of the GRI has been dynamic and contentious. Since its launch in 1999, it has successfully developed a common globally accepted framework for content, format and style of sustainability reporting (Brown et al., 2009). It has extended the accountability of companies beyond the traditional role of providing a financial account to shareholders.The GRI is open to participation by various actors including business, civil society, labor and professional institutions and seeks to ensure quality, credibility, and relevance of sustainability reporting (GRI, 2002). The GRI guidelines, that is, the GRI norms, are the result of several continual transnational multi-stakeholder norm development processes. Most recently, the GRI released the fourth generation of the GRI guidelines in May 2013 as the result of a global public *Structured Feedback Process*. The third generation of the GRI guidelines (G3), which is in the focus of this article, was released in October 2006. It consists of the main parts *Reporting Principles*, *Reporting Guidance* and *Standard Disclosures*. To allow a continual improvement, voluntary compliance with the G3 is designed to be incremental (Chebremariam & Tolhurst, 2010). The principles define the report content with regard to materiality, stakeholder inclusiveness, sustainability context, completeness, and report quality in terms of balance, comparability, accuracy, timeliness, reliability and clarity. Guidance is provided to set the boundary of the report. The standard disclosures, that have to be part of every sustainability report applying the G3, encompass the company's strategy and profile, management approach and performance indicators.

Strictly speaking, the GRI does not monitor (or sanction) norm compliance. The *GRI Application Levels System* only demands companies to self-declare the level to which they have applied the GRI reporting framework and differentiates report beginners from advanced reporters and companies in between. Although the GRI does not formally require organizational changes or an external assessment of a company's performance, some proactive norm addressees nevertheless translate and implement the G3 in a more substantive manner. They install internal reporting systems and possess external assessments. External assessments are carried out by the GRI via the GRI Check that reviews the formal adaptation of the guidelines. To increase credibility, the quality of sustainability reports is also verified by professional audit providers such as Deloitte, PriceWaterhouseCoopers, KPMG, or Ernst & Young.

Over the past decade, there has been a steady rise of actors – predominantly transnational companies from the OECD world – that apply the G3 guidelines (Schwindenhammer, 2013, forthcoming; KPMG et al., 2010). However, as far as corporate voluntary compliance with the GRI norms is concerned, the picture is somewhat uneven. The total increase of voluntary sustainability reports based on the G3 guidelines does not reveal to what extent reporting companies qualify as incomplete or all-embracing norm-consumers.

4 Methodology and case selection

To assess the degree of corporate norm-consumership, I selected the world's largest companies for analysis with nearly constant company size, resource base and global visibility. I focussed on German G500 as the principal units of analysis. German G500 show a high percentage of voluntary corporate norm-consumership in the GRI. 28 of the 39 German G500 have published at least one sustainability report between 2002 and 2009 with reference to the GRI reporting framework. This represents a total rate of fulfilment of 76 percent. However, applying the framework for analyzing norm acceptance and norm implementation presented in section 2, the empirical findings put the extent of voluntary norm-consumership in the GRI further into perspective (Schwindenhammer, 2011, p. 170f.). Companies have several options to participate: They can accept the GRI norms by engaging as Organizational Stakeholders (OS)[6], declare their norm commitment publically on the company web-sites, implement the GRI norms by publishing at least two sequent sustainability reports applying the GRI guidelines, adopt internal management systems and verify the level of norm compliance through a third party check. Depending on the degree of corporate engagement, companies either qualify as all-embracing norm-consumers, incomplete norm-consumers, or non-consumers.

As shown in Table 1, 13 German G500 companies are non-consumers[7], 21 are incomplete norm-consumers, and only BASF, Bayer, Daimler, RWE and VW fulfill all indicators and qualify as all-embracing norm-consumers. Methodically speaking these five companies can be considered as *extreme cases* (Gerring, 2004) in which norm-consumership exceeds the average degree. With regard to corporate voluntary norm acceptance, BASF, Bayer, Daimler, RWE and VW have acceded to the GRI and engage as OS. They also declare their norm commitment publically. Every company web-site contains a reference to the GRI reporting framework. Regarding corporate voluntary norm implementation, the five companies show an enduring change of behavior since they have published at least two sequent sustainability reports applying the GRI guidelines between 2002 and 2009. Their internal norm adaptation manifests itself in the adoption of internal management systems. BASF, Bayer, Daimler, RWE and VW also verify the level of norm compliance through a third party assessment by the GRI and professional audit providers. The puzzle of significant inter-firm variation in voluntary norm compliance in the GRI raises the question why and under what condi-

[6] The OS status serves as an equivalent for official GRI membership. OS contribute financially by paying annual fees based on the company's annual turnover and by putting their name to the GRI mission, products and processes.

[7] In contrast to the 11 non-consumers that have not reported at all, DZ Bank and BayernLB have published a sustainability report applying the GRI guidelines once between 2002 and 2009. However, both companies do not fulfill a single indicator for norm-consumership and thus also qualify as non-consumers.

tions it has emerged across some German G500 while others resist?

German G500	formal accession/ OS status	public norm commitment	enduring change of behavior	internal norm adaptation	external norm assessment
BASF	**X**	**X**	**X**	**X**	**X**
Bayer	**X**	**X**	**X**	**X**	**X**
Daimler	**X**	**X**	**X**	**X**	**X**
RWE	**X**	**X**	**X**	**X**	**X**
VW	**X**	**X**	**X**	**X**	**X**
Allianz	-	X	X	-	-
Arcandor	-	-	X	-	X
BMW	-	X	X	X	X
Bosch	X	X	-	X	-
Commerzbank	-	-	X	-	-
Continental	-	X	-	-	-
Deutsche Bahn	-	X	-	X	-
Deutsche Bank	X	X	X	-	X
Deutsche Post	-	X	-	-	X
Deutsche Telekom	-	X	X	-	X
E.ON	-	X	X	X	X
EnBW	-	-	X	-	X
HeidelbergCement	-	X	X	-	-
Henkel	-	X	X	X	-
Hochtief	-	X	X	-	X
LBBW	-	X	X	-	X
Metro	-	X	X	-	-
Munich RE	-	X	-	-	-
Siemens	-	X	-	X	-
ThyssenKrupp	-	X	-	-	-
TUI	-	X	-	-	-
BayernLB	-	-	-	-	-
Bertelsmann	-	-	-	-	-
DZ Bank	-	-	-	-	-
Edeka	-	-	-	-	-
Evonik	-	-	-	-	-
Franz Haniel	-	-	-	-	-
Heraeus Holding	-	-	-	-	-
Hypo Real Estate	-	-	-	-	-
KfW Bankengruppe	-	-	-	-	-
Lufthansa	-	-	-	-	-
MAN	-	-	-	-	-
Marquard & Bahls	-	-	-	-	-
Nord/LB	-	-	-	-	-

Table 1: Norm-consumership of German G500

Case study research is the most appropriate strategy to solve this puzzle in a comprehensive fashion. The contextual analysis of the five German all-embracing norm-consumers – together with three control cases of incomplete norm-consumers to check the empirical findings – allowed for causal process observations (Mahoney, 2010). I gathered detailed information on the process of national conditions influencing corporate voluntary compliance with the GRI norms applying the method of *structured focused comparison* (George & Bennett, 2005, p. 67). Data were collected from eight semi-structured expert interviews with company representatives conducted in 2009 and 2010. The interviews were coded as I1 – I8. Secondary sources, observations at GRI conferences and GRI German OS-network meetings were also added to the analysis.

Data analysis was structured by a *directed qualitative content analysis* applying Mayring's approach (Mayring, 2008; Mayring/Gläser-Zikuda, 2008) that allowed drawing findings to validate the conceptual framework. 8 analytical categories were deductively created based on specific theoretical aspects and inductively on the empirical material under analysis. They were finally transferred to qualitative-interpretative steps by the development of specific procedures and techniques (Schwindenhammer, 2011, p.131f.). The empirical data was categorizsed following a research specific 9 step-by-step model that allowed for theoretical coding including feedback loops that ensured the conformity of the categories with respect to theory and analytical procedure (Mayring, 2008, p.84).

5 The home state-framework for analysis

Corporate voluntary norm compliance is neither an independent or de-contextualized corporate action, nor is it the result of the design of transnational self-regulatory approaches alone. Under the condition of social disorientation and institutional uncertainty, corporate norm-consumership is likely simultaneously influenced by transnational factors and a wider set of domestic conditions. I regard companies as nationally embedded actors and emphasize the link between a company's voluntary norm-related behavior and the institutional home state environment in which it takes place. Having said this, I simultaneously contradict the globalization debate that regards the state as generally weakened and transnational companies as homeless entities purely oriented to their own bottom lines (see for example Korten, 2001). I suggest a home state-framework for analysis that sheds light on the processes involved in translating domestic institutional pressures in the political, societal and economic dimension of origin (independent variables) into a particular corporate practice (dependent variable) (see Figure 1).

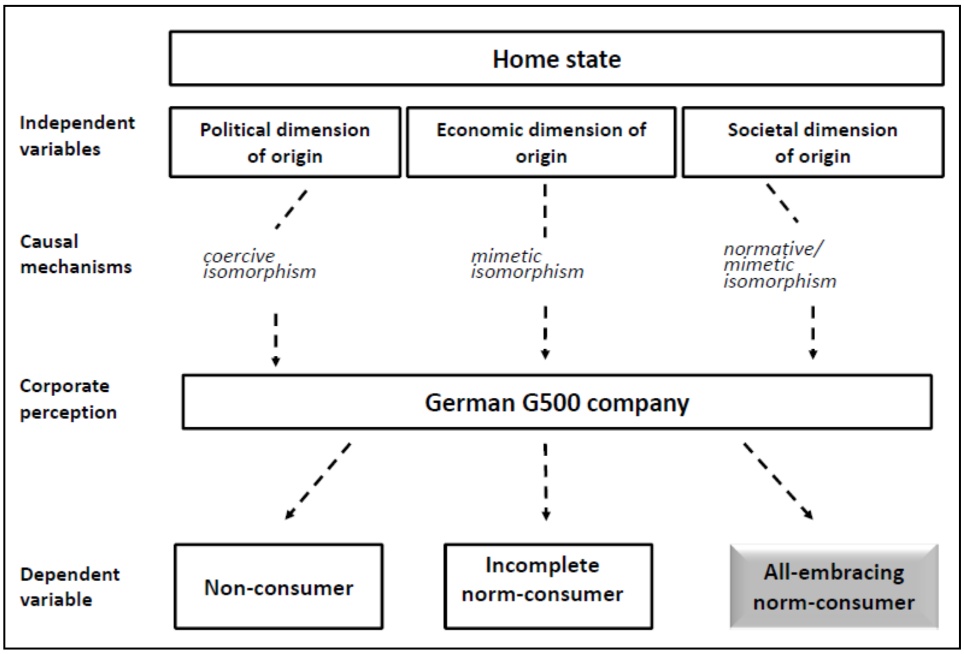

Figure 1: The home state-framework for analysis

To detect the underlying domestic drivers and dynamics of corporate norm-consumership I apply the isomorphism approach from sociological neo-institutionalism put forward by DiMaggio and Powell (1991a, b) that turns toward cognitive and cultural explanations for processes of institutional homogenization. National institutions constitute social actors and elaborate the rules and requirements to which they must conform if they are to receive support and legitimacy (Scott & Meyer, 1991, p. 123). The home state-framework refers to regulatory and legal frameworks, norms and value systems, and cultural elements and beliefs in the political, economic, and societal dimension of origin that create shared meanings and reflect socially appropriate behavior (Scott, 2008). They stem from regulatory agencies authorized by the state, from professional associations, from generalized belief systems and similar domestic sources that define how specific types of organizations ought to behave appropriately (Scott & Meyer, 1991, p. 123). Thus, national institutions constrain or enable corporate action, provide strategies for behavior and influence “how the organization is built, how it is run, and, simultaneously, how it is understood and evaluated” (Suchman, 1995, p. 576).

Consequently, sociological neo-institutionalism predicts the same homogenizing institutional pressures: Once organizational models are institutionalized, they diffuse and cause organizational structures to grow more and more alike (see for example Boli & Thomas, 1999, p. 4). But, there is evidence for the co-existence of processes of convergence *and* divergence (Beckert, 2010). The institutions sociological institutionalism defines have the deterministic tendency “to be overly sticky” with agents largely fixed in terms of preferences or fixated in terms of norms (Schmidt, 2008, p. 313).

Thus, rather than thinking of companies automatically acting in a homogeneous way as subjects to a common set of national pressures, I come up with a modified isomorphism approach combined with an actor-level related argument.

In vast part of social life, norms guide but do not completely determine social action. Companies seek guidance from general standards of obligation to reduce organizational uncertainty (DiMaggio & Powell, 1991b, p. 9f.), but have to grapple with complex, various and maybe competing institutional demands, varying among one another as well as over time (Keohane, 2008, p. 365). I argue that German G500 are part of institutionalized and interactive relationships at home (Powell & Colyvas, 2008) in which they are subject to external transparency demands and the ability of stakeholders to sanction. Hence, new institutional solutions – such as sustainability reporting – are the result of corporate micro level efforts at enactment and interpretation of national pressures (Powell & Colyvas, 2008, p. 295). Companies *perceive* societal problems and possible institutional solutions to them (Beckert, 2010, p. 156f.; Scott, 2008). This is why the impact of institutional pressures *differs* with distinct corporate mind-sets and perceptions. Companies that share similar cognitive frames are assumed to follow a similar path and to act in a homogeneous way, whereas companies with distinctively different perceptions may feel attracted to different institutional solutions promoting more fragmented and inconsistent patterns of voluntary norm compliance. According to this I offer the following hypothesis: *The more a company perceives national pressures in the political, economic and societal dimension of origin to be transparent, the more likely it will engage as an all-embracing norm-consumer in the GRI.*

To detect the underlying causal mechanisms by which institutional models stretch across companies I refer to the concept of *isomorphism* that differentiates between coercive, mimetic and normative isomorphic pressures (DiMaggio & Powell, 1991a, p. 67ff.).[8] Isomorphic pressures are analytical ideal types and, although they have to be analyzed separately, they might occur in mixed forms empirically.

Coercive isomorphism involves one organization exerting power over another to force the adoption of preferred practices, often through legal means or by controlling resource access (Andrews, 2009, p. 9). It works if a company is functionally or morally discredited and if the actor in power has the capacities and willingness to enforce new institutional solutions. In spite of globalization processes, it is predominantly the state that has legal authority (but often lacks adequate sanctioning tools) to exert coercive pressure via regulatory oversight and control over companies (Beschorner, 2008, p. 78; DiMaggio & Powell, 1991a, p. 67). Coercive pressures work directly or indirectly via the extension of statutory regulations or the provision of incentive struc-

[8] Broadening the isomorphism concept, Beckert adds competition as an additional causal mechanism (2010, p. 160) that stimulates the emergence of new organizational models and creates opportunities for actors to specialize. But, under the condition of social disorientation, clear cost-benefit calculations are a priori difficult (if not impossible). In the new issue area of corporate transparency, companies cannot rationally calculate what kind of reporting behavior pays off the most in terms of competitive advantages. They have to level the playing field first, before they can compete with each other.

tures. A company's inertia force decides if it continues business as usual or changes its practices.

Mimetic isomorphism rests on habitual taken-for-granted responses to circumstances of social disorientation. When the environment creates uncertainty, technologies are poorly understood or goals are ambiguous, organizations model themselves on others and copy what appears to be desirable or accepted practices of their peers (DiMaggio & Powell, 1991a, p. 69), even if these *have not* been proven effective (Andrews, 2009, p. 9). Mimetic pressures focus on the influence of best practice. To minimize the costs of developing and implementing totally new problem solutions, a company adopts already existing institutional practices that appear to be desirable, accepted and successful. However, although the implementation of best practice leads to homogeneity, companies do not fully clone institutional models and still have enough room for unique features to set themselves apart from their peers. Thus, competition is still possible.

Normative isomorphism stems from the potent influence of the professions and the role of higher education. It works through socialization, professional training and networks via standard setting, educational programs and fora for information sharing. These elements are a pool of almost interchangeable individuals who occupy similar positions across a range of organizations and possess a similarity of orientation and disposition that may override organizational variations in tradition and control (DiMaggio & Powell, 1991a, p. 71). Normative pressures influence companies to *internally* adapt to new institutional solutions. For example, if a company cooperates with professionalized actors from civil society on a regular basis, managers within the company might be influenced to possess a similar normative orientation. Corporate culture might lead to divergent results because, depending on a company's values, it evaluates an institutional solution to fit into its own normative set or not.

6 Empirical Results

This section shows that voluntary corporate norm compliance in the GRI is a complex and multi-factor driven process. Although corporate response pattern confirm a global range of business operations, German G500 simultaneously locate themselves at home. The presented findings provide evidence for a causal complex consisting of one necessary and eight more or less significant conditions in and beyond the home state context. For the purpose of this article, I confine data presentation to a summary of the cases.[9] With regard to the causal mechanisms by which voluntary norm compliance in the GRI stretches across German G500, the empirical analysis has examined the nexus between different demands from the political, the societal and the economic dimension of origin and the corresponding corporate perceptions in detail. I found evidence for high mimetic, maybe low normative and indirectly working coercive isomorphic pressures.

6.1 The German home state context

As every national economy, Germany owes a specific and historically grown institutional framework. It is a highly regulated home state, especially with a dense net of statutory environmental regulations that are considered to be relevant and thus influential upon corporate behavior. Environmental VAR substitute, coexist with or complement statutory regulations in Germany, but they can also be replaced afterwards by legal regulation as in the case of the dangerous substance asbestos in the 1980s (Töller, 2012). Even if statutory regulations are not always brought into use, the potent *shadow of hierarchy* exercises influence on the voluntary norm-related behavior of German G500.

According to Flohr et al. (2010b, p. 244f.), German companies traditionally play pre-described political roles in the German system of cooperative governance. They participate in political decision-making procedures, negotiate collective agreements with

[9] Two factors that have proven to exert no influence on German all-embracing norm-consumers – German owners and German trade unions – are excluded from the data presentation below.

labor unions, engage in the German dual education system, or pay national insurance contributions (Backhaus-Maul et al., 2008, p. 16). But, the general debate on norm-entrepreneurship and norm-consumership of German companies in transnational self-regulatory initiatives only slowly emerged over time. Germany has been regarded as a *blind spot* on the international CSR landscape (Habisch & Wegner, 2005, p. 111), although (or maybe because of) the long tradition of corporate engagement in the stable institutional context of the German welfare state (Backhaus-Maul et al., 2008, p. 33).

With regard to corporate transparency beyond the financial bottom line, there is a common framing of corporate intransparency as a problem in Germany. But, at the same time, there is no broad consensus in society on the value of voluntary sustainability reporting. Stakeholder demands are highly diverse, dynamic, decentralized and can come from a variety of actors whose roles and responsibilities are plural (Moon et al., 2011, p. 213f.). Hence, German G500 have to grapple with manifold and sometimes competing coercive, mimetic and normative pressures for transparency that are permanent in motion.

6.2 Indirectly working coercive pressures in the political dimension of origin

In the political dimension of origin, the German government agreed to foster the general advancement of CSR and initiated a multi-stakeholder process to develop a national CSR strategy in 2008. The *National CSR Forum* was established in 2009 to develop a common understanding of CSR and to define fields of action that are key to it. In October 2010, the Federal Cabinet adopted Germany's first *National Engagement Strategy* and the *National Strategy for CSR* based on the recommendations of the National CSR Forum. Although the new German CSR strategy calls on companies to be transparent and explicitly acknowledges the GRI, it does not legally obliges German G500 to publish sustainability reports. Compared to other countries, such as Denmark or Sweden, that statutorily regulate corporate sustainability reporting and refer to the GRI guidelines in official documents or even in the law (KPMG et al., 2010, p. 5), German public CSR policy pursues voluntary *self*-regulation and does not exert direct coercive pressures on companies to publish sustainability reports or to apply the GRI guidelines.

There is, however, some legal institutional pressure on German companies to disclose extra-financial information. The *German Commercial Code* (HGB) requires companies to prepare and disclose a management or group management report that, among others, has to provide a comprehensive analysis of the course of business and the position of the company. This analysis must include financial key performance indicators (KPI) for the business activities and comment on them by reference to the amounts and disclosures presented in the financial statements. Extra-financial KPIs – e.g. information about environmental and social matters – have also to be disclosed, *if they are essential* for the understanding of the course of business and the position of the company (HGB, Art. 289). But, the HGB requirements hand it over to the company to decide if extra-financial information is provided. Even though legal institutions do not directly pressure German companies to comply with the GRI guidelines; they might, however, indirectly facilitate corporate norm-consumership in the GRI (Deloitte, 2006). Accordingly, all-embracing norm-consumers were expected to perceive low coercive pressure to comply with the norms of the GRI.

All interviewees confirm the general importance of social and environmental statutory regulations, because "most things the GRI recommends to report on are already implemented by German companies as part of legal compliance" (I4).[10] Statutory regulations serve as a starting point for the proactive engagement of all-embracing norm-consumers and thus work indirectly.[11] In contrast, the high level of legal regulation is the reason for incomplete norm-consumers not to engage, because "for a long time we have not seen a need to report on environmental and social activities that are legally taken-for-granted" (I2). The Ger-

[10] All quotes are my own translation.

[11] This finding corresponds with results presented by Heinelt et al. on the implementation of the Eco-Management and Audit Scheme (EMAS) in Germany (Heinelt et al., 2001).

man public CSR policy "does not directly relate to corporate norm compliance in the GRI" (I7). It is criticized as "somehow confusing with different ministries promoting different ideas" (I7). To conclude, coercive isomorphic pressures work more indirectly. The high level of statutory regulation provides good starting conditions to begin with corporate voluntary norm compliance. Remarkably, all all-embracing norm-consumers do not engage in the GRI because, but in spite of the CSR policy of the German government.

6.3 Mimetic (and potentially normative) pressures in the societal dimension of origin

In the societal sphere, German G500 are influenced by a highly organized and well equipped civil society that owes bargain- and organizational power (Zimmer & Priller, 2005, p. 66). Corporate self-regulation that exceeds the pre-described roles of corporatist policy-making is, however, traditionally viewed skeptical by German civil society actors. With regard to corporate transparency different actors make diverse and sometimes conflicting demands. German NGOs use their full repertoire including fact-finding, monitoring activities or media campaigns to make their transparency demands known. But, German business-NGO-relations are traditionally shaped by mutual mistrust and conflict (Roose, 2009, p. 125). Only few NGOs have currently begun to cooperate with companies on a regular basis in partnerships or stakeholder dialogues (Klein & Siegmund, 2010, p. 13) or support corporate voluntary disclosure with reference to the GRI guidelines. Most still share a skeptical view and advocate statutory regulation. For example, Friends of the Earth Germany (BUND), one of the most important environmental NGOs, or the German Corporate Accountability Network (CorA) consisting of 41 civil society organizations, generally criticize voluntary approaches toward corporate transparency as insufficient. They argue that sustainability reports are often inconsistent in scope and depth, difficult to interpret, to cross-compare and to verify. Both actors consequently call on the German government to regulate corporate sustainability reporting by law (BUND, 2008, p. 11).

Corporate transparency is also demanded and assessed by German societal rankings. The German ranking of sustainability reports carried out by the Institute for Ecological Economy Research and future e.V. every two years, evaluates corporate disclosure of sustainability issues based on a comprehensive list of criteria. The ranking results published in 2010 indicate that German companies that comply with the GRI norms reach higher ranking positions than others (IÖW & future, 2010, p. 92). Indeed, BASF, RWE, VW, Daimler, and Bayer have been selected as leading companies in the top fifteen (IÖW & future, 2010, p. 21ff.). Due to the diverse societal transparency demands and so far rarely institutionalized cooperative relations between business and societal actors, all-embracing norm-consumers have been expected to perceive high mimetic and maybe normative pressures.

Corporate responses strongly indicate mimetic isomorphic pressures induced by German civil society actors. German G500 model themselves on national peers and copy best reporting practices to fulfill societal transparency demands. Mutual benchmarking and adjustment activities facilitate voluntary corporate norm compliance. Most all-embracing norm-consumers state that the raising information demands of civil society actors have been the impetus for voluntary norm compliance in the GRI. While two incomplete norm-consumers also confirm the impact of societal pressures, one explained that the company is not “in the focus of public attention” (I2) because of its business-to-business orientation. All all-embracing norm-consumers stress the importance of the German ranking of sustainability reports. “Applying the GRI framework is helpful for a high ranking position” (I1), though “no guarantee for success” (I7). Incomplete norm-consumers rather stress learning opportunities and argue that the “ranking results help to detect deficits as well as opportunities for improving sustainability reporting” (I8). All all-embracing norm-consumers pay particular attention to the transparency demands of cooperative as well as adversarial NGOs. They portray their NGO relations becoming more cooperative than conflict prone but simultaneously point out the problem of prevailing “deep resentments on both sides” (I4). All sample companies select certain NGOs to act with and ignore others because “these groups are not ready for constructive cooperation, yet” (I3).

Corporate response pattern also indicate the impact of normative isomorphic pressures from cooperative business-NGO-relations in working groups, dialogue fora or round tables. They provide learning opportunities, are “an important source of feedback for business” (I7) and let companies know “what kind of information is needed” (I1). All-embracing norm-consumers react internally to transparency issues that come from the outside, because “new issues emerge, previous issues are reconsidered and some issues that are no longer relevant in society disappear” (I6). Professionalized NGO partners thus maybe influence managers within the companies to possess a similar normative orientation and to simulate the internal adaptation of new transparency solutions. However, further research is needed to assess the extent to which normative isomorphism via cooperative business-NGO-relations indeed *internally* stimulates corporate voluntary norm compliance in the GRI.

6.4 Mimetic pressures in the economic dimension of origin

In the economic sphere, market actors increasingly demand corporate transparency with regard to extra-financial issues, although this does not necessarily include sustainability reporting or the application of the GRI reporting framework. The growing German market for socially responsible investments (SRI) asks for corporate reporting on environmental, social and governance issues. Its evolution dates back to the ecological and pacifist movement in the late 1970s. Today, asset managers are increasingly aware of the relevance of SRI and offer a widespread range of sustainable investment products. The total volume of SRI managed in Germany rose by about 110% from € 5.3 billion at the end of 2005 to € 11.1 billion in December 2007 (Eurosif, 2008, p. 32) and has, in spite of the financial crisis in 2008, reached a volume of total SRI assets under management of € 12.9 billion in 2010 (Eurosif, 2010, p. 35). An illustrative example of a German financial market actor that makes extra-financial transparency demands is the German Sustainable Investment Forum

(FNG). It aims at expanding sustainable investments in the financial services industry and includes investment firms, alternative banks, financial brokers and advisors, rating agencies, scientific institutions and companies that borrow money on the green capital market. The FNG rejects voluntary approaches toward corporate transparency and calls for a statutory integration of extra-financial data into corporate performance reporting (FNG, 2009, p. 3). Another example, the Society of Investment Professionals in Germany (DVFA), criticizes sustainability reporting to address too many stakeholder groups and thus not to satisfy the specific information needs of investors and analysts from the financial community. The DVFA has currently more than 1200 individual members representing over 400 investment firms, banks, asset managers, consultants and counselling businesses. In 2008, it released its own KPIs for extra-financial transparency issues and defined sector-specific indicators (DVFA, 2009, p. 22). In the segment of sustainable investments, German ratings also demand information on the environmental and social performance of German companies. Oekom research or imug, for instance, provide investors in the German capital market with information for their investment decisions. They assess extra-financial information from sustainability reports, although a company being evaluated also engages in an in-depth dialogue with the rating agency. National associations of companies, such as the Forum for Sustainable Development of German Business (econsense) of which all German all-embracing norm-consumers are members of, also emphasize the importance of corporate transparency. Econsense frames the norms of sustainable development as a communication issue and supports its members to spread their sustainability reports via the econsense homepage. It advocates the application of the G3 as the most useful global standard for sustainability reporting. In a nutshell, German G500 are exposed to varying and more or less concrete transparency demands from the economic dimension of origin. Due to institutional uncertainty, all-embracing norm-consumers were assumed to perceive mimetic pressures.

Corporate perceptions provide a mixed picture: Only two all-embracing norm-consumers regard the German SRI market as influential, three do not and explain that “transparency demands usually come from international, not from German market actors” (I4). While two incomplete norm-consumers confirm a low influence of the German SRI market, one interviewee whose company is not listed on the stock exchange stated that “financial market pressures are irrelevant” (I2). Although all-embracing norm-consumers point out the usefulness of sustainability reports to provide information to rating agencies, no interviewee confirmed an influence of a German rating. Instead, all sample companies stress the Dow Jones Sustainability Index as “the most important *global* rating” (I4). With regard to national business associations, all interviewees confirm the influence of national peers that they perceive as transparency frontrunners. They “look how others report on certain indicators” and “compare reporting performance to realize how we can do better” (I4). All sample companies obviously strive for homogeneity via mutual adaptation. While incomplete norm-consumers stress learning opportunities and to share “a common transparency agenda with national peers” (I5), all-embracing norm-consumers also emphasize the importance of inter-firm competition and differentiation potential to set themselves apart from each other. Some provide special download services for report users; others use special assurance standards for external assessment. Arguably, structural adjustment via mimetic isomorphism and inter-firm competition between all-embracing norm-consumers do not a priori exclude each other.

6.5 Three factors of influence beyond the home state context

The openness of the data collection process allowed for detecting three additional causal factors to explain corporate norm-consumership that do not relate to home state characteristics. The majority of interviewees also emphasized company characteristics and characteristics of the GRI. They stress the advantage of GRI reporting as an internal steering instrument, the common acceptability of the GRI, and the congruence of norm-consumership and norm-entrepreneurship.

Voluntary norm compliance in the GRI is used internally to increase management attention and to direct processes toward the transparency issue. “The GRI guidelines serve as a reference point and provide a framework for internal orientation” (I6). The common acceptability of the GRI as “the world’s most important standard for sustainability reporting” (I3) is another reason for corporate voluntary norm compliance. Most remarkably, BASF, Bayer, Daimler, RWE and VW comply with transnational norms they have set and developed themselves. They are all-embracing norm-consumers *and* norm-entrepreneurs in the GRI at the same time. They comply with the GRI norms and simultaneously engage in collective processes of norm setting and norm development. They participate in GRI working groups and/or sector supplements and comment on the draft guidelines in the Structured Feedback Process. The main reason to engage simultaneously in norm-consumership and norm-entrepreneurship activities is to influence the content of the GRI norms. All-embracing norm-consumers intend to bring their “interests into the process because sustainability reporting is too complex to let the GRI act alone” (I6). All incomplete norm-consumers, in contrast, deny engaging in norm setting and norm development processes in the GRI. They do not follow self-set norms. Consequently, the congruence of norm-consumership and norm-entrepreneurship qualifies as a necessary condition.

6.6 The causal complex

All in all, the structured focused comparison of the five German all-embracing norm-consumers and their three incomplete counterparts detected a *causal complex* of six significant national conditions, two significant conditions with regard to company characteristics and characteristics of the GRI, and one necessary condition. As illustrated in Figure 2, BASF, Bayer, Daimler, RWE and VW are influenced by national peers in the economic dimension of origin and the German civil society, German NGOs, and German societal rankings in the societal dimension of origin. Legal institutions and the German market for sustainable investments are also significant but to a lower extend. The advantage of GRI reporting as an internal steering instrument and the common acceptability of the GRI are significant factors of influence beyond the home state context. The congruence of corporate norm-consumership and norm-entrepreneurship has been detected as the only necessary condition in the causal complex. Remarkably, the CSR policy of the German government and German ratings exercise no influence on the voluntary norm-compliance of the sample companies in the GRI. Both factors are not significant.

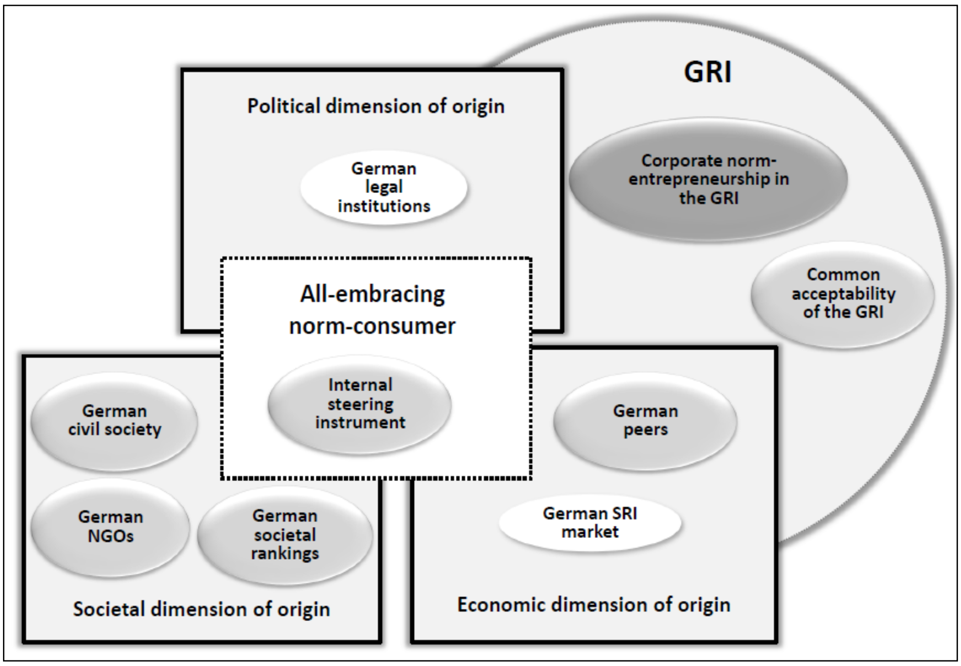

Figure 2: The causal complex

With regard to the underlying causal mechanisms by which voluntary norm compliance stretches across German G500, the empirical analysis has found evidence for high mimetic, maybe low normative and indirectly working coercive isomorphic pressures. It has also shown that the impact of isomorphic pressures depends on the perception and processing of the norm-consumers. Even though German all-embracing norm-consumers are highly influenced by mimetic isomorphic pressures, this does not necessarily imply that there is no inter-firm competition taking place. German G500 cannot a priori calculate what kind of voluntary norm-related behavior pays off most in terms of legitimacy gains. They model themselves on national peers they perceive as transparency frontrunners and copy what appears to be a desirable corporate practice, even if this has yet *not* proven effective. Mutual adjustment apparently serves as an initial driver for leveling the playing field on which inter-firm competition takes place in a subsequent step. The empirical findings show that mimetic isomorphism and competition do not exclude but complement each other.

7 Conclusion

This article has shown that voluntary corporate compliance with the norms of a transnational environmental VAR can take on many forms. Corporate norm-consumership exceeds what binding law prescribes, comprises more than a simple following or not following of norms, involves continuous corporate assessment and refinement activities, and is a fundamental element to increase the effectiveness of transnational environmental governance. By elaborating the concept of corporate norm-consumership, I have taken into account the multifariousness of corporate voluntary norm compliance and offered a framework to distinguish non-consumers, incomplete norm-consumers and all-embracing norm-consumers.

Corporate voluntary norm compliance is obviously a complex and multi-factor driven process. The chain of institutional pressures involved in the norm-consumership of German G500 in the GRI is both, more eclectic and interesting, than functionalistic arguments predict. The modified isomorphism approach has added explanatory value. It allowed detecting factors of influence within and beyond the home state context and to identify the underlying mechanisms by which voluntary norm compliance in the GRI stretches across German G500. The presented findings remind us of the variety of factors that influence the outcome of transnational environmental VAR. An understanding that exclusively focuses on the institutional design features of certain VAR too narrowly considers further conditions enabling or restricting corporate change of behavior.

However, I also note some methodological limitations of the presented research results. The small number of German sample firms limits the generalizability of the findings and only allows for drawing conclusions for German G500. Moreover, since the empirical data were self-reported perceptions of CSR managers in charge of sustainability reporting within German G500, the findings do not necessarily reflect the accurate image of a whole company's attitude.

Moreover, critiques might arguably state that, after all, there is still enough empirical evidence of corporate non compliance or green-washing to raise the issue of how to ensure corporate norm compliance effectively. The fact that all all-embracing German norm consumers are simultaneously engaged in norm setting and norm development processes in the GRI speaks in favour of an additional identification mechanism at work: Engaging in norm setting activities makes companies become the authors of the rules they follow, thus they more likely identify and consequently comply with self-set norms – a finding quite similar to the well-known congruence argument put forward by (transnational) democratic theory (Wolf 2000). Consequently, a higher level of corporate norm setting activities might enhance corporate norm compliance. But, although corporate norm-consumership is a fundamental element of transnational environmental governance processes today, VAR should not leave it to the companies alone to decide which norms are set or not, and which steps are taken to ensure compliance. Voluntary norm setting and norm implementation activities can also be a promising corporate strategy to reduce regulatory obligations for the sake of the own business interests.

Thus, to put it in a nutshell, identifying patterns and explanations of voluntary norm compliance of German G500 in the GRI is not an end in itself. It offers an instructive starting point and provides some necessary clarification for the never-ending quest for the ideal institutional architecture of CSR and environmental governance. Future research will have to analyze the institutional links and interplays between the national and the transnational sphere and to discuss by which actors, how and under what conditions corporate transparency beyond the financial bottom line can be stimulated institutionally and disseminated. In order to prevent corporate norm-consumership losing sight of the public interest, it should be part of an overall system of checks and balances that requires the participation of different types of national and transnational actors playing different regulatory roles. On the European level, the renewed EU strategy for CSR also includes statutory steps toward corporate transparency (European Commission, 2011). In order to ensure a level playing field, as announced in the Single Market Act, the European Commission most recently adopted a proposal for a Directive in April 2013 that enhances the transparency of certain large companies that will have to mandatory disclose CSR information on policies, risks and results.[12] However, beyond statutory provisions, the future governance architecture should allow all stakeholders to make governance contributions according to their specific sources of authority (Flohr et al., 2010a, p. 232ff.): governments should create incentives, create the rules of the game and provide checks and balances for corporate voluntary engagement. As self-regulatory functional equivalents societal actors can mobilize civil pressures via independent monitoring or investors and analysts can mobilize market forces. But, despite the best institutional efforts, corporate norm-consumership also still depends on the self-conception of companies as political actors that are responsible and willing to take on authoritative roles and regulatory functions.

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