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EDITORIAL

Responsible Practices are Culturally Embedded: Theoretical Considerations on Industry-Specific Corporate Social Responsibility

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Abstract In this introduction to the special issue of industry-specific corporate social responsibility (CSR), we develop our argument in three steps: Firstly, we elaborate on some theoretical perspectives for industry-specific CSR by referring to cultural business ethics, a theoretical approach which is located between purely business perspectives and purely normative perspectives on CSR. Secondly, we briefly introduce the papers of this special issue, which covers a wide range of theoretical approaches and empirical studies in the field of industry-specific CSR. Thirdly, we draw attention to shortcomings of an industry-specific approach and sketch some theoretical—but also empirically applicable—perspectives for further research that stress cross-sectoral perspectives based on societal needs.

Keywords Corporate social responsibility · Cultural business ethics · Cultural studies · Embeddedness · Industrial sectors · Stakeholders · Organizational fields

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Introduction

Industry-focused collaboration on corporate social responsibility (CSR) is not a new phenomenon, at least not in practice. There are well-known industry initiatives like Responsible Care, the Equator Principles, the Fair Wear Foundation, or the Forest Stewardship Council. They deal with CSR-related issues like environmental conservation, labor standards, or product safety. Their international character gives them visibility and thus makes them a prime subject for research (e.g., Druckrey 1998; Moore 2004; Richardson 2009). However, industry-specific CSR is not confined to these high-profile initiatives. On closer inspection, many more initiatives can be found at the local level, where they often operate under the radar of scholarly scrutiny. Indeed, there are numerous cases situated in specific industries, sometimes "controversial" industries (e.g., Cuesta-González et al. 2006; Biedermann 2007; White 2007; Lee and Kohler 2010; Lindgreen et al. 2012), yet more conceptual work—in the way it considers the relevance of the industry—is still in its infancy (e.g., Lund-Thomsen and Nadvi 2010; Martinuzzi et al. 2010; Timonen and Luoma-aho 2010).

This initial observation and a research project on "Corporate Responsibility in Europe—Government Involvement in Sector-specific Initiatives" (Beschorner et al. 2013) were our starting point for suggesting a special issue of the Journal of Business Ethics on "Industry-Specific Corporate Social Responsibility." We thought and we think that, in order to better understand and thereby improve CSR practices, it is necessary to bring in an industry view that considers the relevance of concrete actions while reflecting their embeddedness in institutional and cultural settings. Analyzing industrial contexts in which CSR is embedded can help us grasp its essential features and dynamics, which are easily overlooked when CSR is treated as a uniform, one-size-fits-all concept.

Moreover, and we think this is especially important from a theoretical point of view, industry-specific perspectives allow sketching more comprehensive pictures of CSR as it emphasizes the embeddedness of businesses within their social and economic environments. Instead of taking a segregated view of CSR with the company at center-stage and other actors being mere "stakeholders," it complements stakeholder approaches with, what we can call, an organizational field perspective that extends the analysis to include the roles and possible relevance of other actors (beyond their pertinence in concrete stakeholder relations). In other words, an industry-specific perspective complements and links two theoretical perspectives on CSR that mark two ends of the theoretical spectrum: a systemic and an actor-oriented approach.

Systemic approaches focus on the framework of CSR, usually on the national or international level. Authors like Matten and Moon (2008) and Kinderman (2009, 2012) study the "institutional bases of CSR" (Matten and Moon 2008, p. 405) or "national business systems" (ibid: 407). By comparing national institutions in fields such as industrial relations or environmental protection, the authors explain differences in the quantity and quality of CSR practice across nations and regions. Although this approach is helpful in comparing CSR on the macro-level, it tends to conceive businesses as a unitary agent and to underestimate the variety of meso-level institutions. For example, trade associations are seen as a "long-term feature of European national business systems" and as drivers of CSR (ibid: 417). While this observation is acceptable in general, it is too unspecific. Depending on the industry in question, trade associations can act as active promoters of CSR, as mouthpiece of vocal corporate members or can obstruct CSR discourse despite some progressive companies among their members. An industry-specific approach would help to refine the systemic perspective by narrowing down national business systems to industrial contexts or systems.

On the other hand, actor-oriented perspectives on CSR, such as corporate citizenship approaches or political CSR (Matten and Crane 2005; Scherer and Palazzo 2007) have a different point of departure. Instead of comparing the characteristics of different national institutional frameworks, these approaches assume that nation states are losing capabilities and powers in lockstep with globalization and that multinational corporations step forward to fill the regulatory gap. In exercising powers and functions that had once been exclusive privileges of nation states, these corporations become—or should become—themselves political actors, for example by respecting human rights in zones of weak governance or by participating in the management of global commons like the sea, air or the climate. This theoretical approach is useful to understand why corporations should act as corporate citizens in a wider sense when operating in un- or under-regulated business environments. Due to its focus on actors and its theoretical premises of taking "globalization" for granted and linking it with the seemingly irreversible decline of the state, corporate citizenship fails to clarify the (empirical) conditions under which corporations turn into political actors. In particular, no multinational corporation acts on its own. Even the largest corporations operate in an environment populated by specific competitors, consumers or clients, suppliers, and regulators to whom they are accountable, etc. These actors do influence the form and extent to which corporate citizenship can be exercised. An industry-specific perspective can illuminate the empirical context of corporate citizenship and political CSR, especially by re-embedding the corporation in its wider industrial context.

As the papers in this special issue demonstrate, industry-specific CSR is not a self-serving exercise of introducing yet another CSR concept. Again, it rather wants to provide a link between the CSR-relevant actions on the one hand and the systemic institutional CSR framework on the other hand. The idea of CSR, which is often more abstract than concrete, becomes more tangible and practical as huge challenges become sector issues, as "business" is reduced to a specific number of firms and as abstract responsibility turns into concrete and manageable responsibilities.

The papers in this issue clearly show that an industry-specific perspective on CSR is opposed to abstract or "blueprint" concepts. In the introduction to this special issue, we want to sketch some theoretical perspectives for industry-specific CSR by referring to what we call "cultural business ethics."

Industry-Specific CSR from a Cultural Perspective

Modern theories in the social sciences (including economics and management) regard the cultural and social context in which actions take place as highly relevant for understanding individual or organizational actions. This at least goes back to the foundation of the academic discipline of sociology in the late nineteenth and early twentieth centuries, when scholars—such as Max Weber, Georg Simmel, Werner Sombart and others—worked out theoretical concepts that emphasize the social and cultural context of actions. The development of these concepts, which would later have a major impact on a range of academic disciplines, must especially be seen against the background of the dominant stream in economics at this time. The Austrian School of Economics (Carl Menger and others) developed economic theories that were very much related to and inspired by the natural sciences. Economics was very mechanical, and the cultural contexts (plural!) of economic actions were not taken into consideration. While some resistance in economics to taking cultural factors into account has remained, it can also be stated that not just social-science theorists, but also scholars of management science have become more open to considering the relevance of contextual factors.

This "cultural turn" is highly relevant—but so far neglected—in business ethics. If we assume one of the main questions in the field of business ethics is the bridging and linking of ethical orientations with concrete practices of various actors, it is important to note that these actual practices are always culturally embedded. It is a theoretical simplification and a myth to assume a type of actor that merely reacts mechanically to incentives (utility maximization), as suggested by the *homo economicus* model, and it is also an overly simplified perspective that regards firms as pure profit-maximizers. Neither individuals nor firms can be empirically limited to just one mode of action, instead, they also have other normative orientations (beyond utility- and profit-maximization); they have multiple identities and speak multiple "language games."

A key element of a cultural perspective is an interpretative concept (Weber 1920/1988) whereby actors interpret and frame "social constructions of reality" (Berger and Luckmann 1966). Thus, culture is not regarded as an external contextual factor but, rather, it is based on a theory of action according to which actions are simultaneously embedded in a "web of shared meanings" (Geertz 1983; DiMaggio 1997). While traditional economics mainly focuses on contracts and transaction costs (Williamson 1975, 1985, 2000)—in other words, on bilateral relations—a cultural perspective reflects the constitution and mechanisms of network-like relations in social arenas (DiMaggio 1991, 1997). These can be, as DiMaggio (1991) suggests, characterized as "organizational fields" (see also below). In the papers of this special issue, such fields can be found in various initiatives in which economic as well as non-economic actors are interconnected via their sector-affiliation and interaction.

The theoretical arguments above, in combination with several mainly empirical observations in the papers of this issue, change the ways in which we can think about CSR. Other than abstract or "blueprint" concepts of CSR suggest, CSR takes place differently in different cultural contexts. This is not merely the case when it comes to different national cultures (i.e., in different countries), as shown by Matten and Moon (2008) with their concept of implicit and explicit CSR. Rather, it also refers to specific industrial cultures in different sectors.

Hence, industrial sectors—similarly to national cultures—can be seen as "frames" for the actors (companies), which see themselves and are seen by others as belonging to a specific group with a distinct identity and distinct problems and "institutional logics." As sketched above, a frame can be understood as the way individuals or organizations structure their perceptions and interpretations of the surrounding world and make sense of it. As for industrial sectors, companies—or, rather, their constituent individuals—can be expected to share certain perceptions of a wide range of aspects, including their products and services, competitors and peers, customers and regulators. These perceptions also include the meaning of CSR within industries by determining, for example, the materiality of issues or the legitimacy of stakeholder demands. And even the very classification in industrial sectors is a cultural artifact as we will see below.

If we apply this cultural perspective to industry-specific CSR, the "industry" can be understood as a web of shared meanings where actors tend to have similar perceptions of their organizational environment (e.g., competition, regulations). It is very likely that there are also similar understandings of CSR in a given industry, such as on the materiality of issues, the legitimacy of stakeholder demands, and the role of governments.

In addition, the merit of assuming an industry perspective lies in what we can call "the downscaling effect." Within an industry context, responsibility can be substantiated and thus made clear and manageable for companies and their stakeholders.

Downscaling can be applied with respect to at least five dimensions:

1. *Issues* become more precise once they are contextualized within an industry. General and fairly abstract terms—such as "the environment" or "human rights"—can be scaled down to bread-and-butter issues that are easier both to understand and tackle.
2. *Actors* can be identified and responsibilities assigned to them. In this way, unclear aggregates—such as "businesses" or "multinationals"—give way to concrete agents, such as the responsible trade association(s), the industry leader(s), or a given number of companies. This does not merely apply to businesses, but also to other relevant actors in the respective industry, which can be distinguished more precisely from a sectoral perspective.
3. Within a specific industry and based on certain issues, actors (i.e., businesses and other types of organizations) constitute an *organizational field* in which concrete actions take place. This is a network-like perspective that goes beyond a stakeholder perspective since there is not just a core organization with surrounding stakeholders (which articulate claims towards this organization). In addition to stakeholder approaches, the organizational field perspective

focuses on the interaction between a set of distinct organizations (e.g., businesses, NGOs, government organizations, and research organizations) and analyzes the dynamics and the process of institutionalization toward sustainability in a comparative manner.

4. Thinking in terms of industries and organizational fields also brings back the *spatial dimension* to a globalized economy. While operations, supply chains, or direct investments are termed "global," they can be pinned down to a manageable number of places. For example, the manufacturing of some products is concentrated in certain countries, regions, and sometimes even cities.
5. Within organizational fields, it is finally possible to analyze different *modes of cooperation*—examples are measures of awareness-raising, partnering, soft law and mandating—that help determine promising modes of collaborative action. The empirical data in the articles of this special issue and also our own study (Beschorner et al. 2013) show that, for example, industries providing goods and services to the government are more familiar with soft law and binding requirements (e.g., public procurement guidelines and requirements), whereas consumer-oriented industries may favor awareness-raising (e.g., labels or consumer information).

To sum up, the industry is more than merely a statistical classification or one of many context variables. From a cultural business ethics perspective, the industry is a frame for actors linked to each other by a web of shared beliefs and network-like relations. This perspective departs from the traditional isolationist view of CSR in which the company (or the businessperson) is at the center and all other actors become mere "stakeholders." Instead, our view requires a more nuanced analysis which is grounded in interpretation of cultural contexts and is not (normatively or otherwise) biased towards the company (i.e., assigning it a special importance vis-à-vis all other actors). As a consequence, the theoretical understanding of CSR changes from a static and abstract concept (blueprint CSR) to a more fluid, culturally embedded idea (industry-specific CSR).

Empirical Insights

The papers in this special issue give rich empirical evidence of the variety of industrial contexts and cultures. We can identify four themes: enterprises and industry-specific forms of responsibility; industries and their stakeholders; trade associations; and national and international regulation.

In each industry, enterprises face different challenges and thus assume various forms of responsibility. Perception plays a key role here, as two papers on controversial industries and the media industry demonstrate. Hannah Oh et al. (2016) focus on the advertising efforts made by the "controversial industries" of tobacco, alcohol, gaming, firearms, military, and nuclear power. They ask whether such firms communicate their CSR activities despite being perceived as "controversial" and whether this pays off in terms of increased financial performance. Their findings show that these companies are engaged in doing good and talking about it, but at the same time they risk emphasizing the conflict between their "controversial" business model and their CSR efforts. In other words, these companies cannot escape their industry and its reputation.

Responsibility in the media industry, by contrast, is not informed by reputation but by challenges in terms of professional and public accountability. Changes in technology, competition and consumers' reading habits pose a threat to journalistic accountability. Painter-Morland and Deslandes (2016) differentiate between professional, public, market, and political accountability in the media. Drawing on empirical results from an international focus groups study, they show how each dimension is challenged. Such challenges can be overcome, the authors argue, if CSR in the media is conceptualized as relational accountability. This type of accountability implies both responsiveness toward all stakeholders in society and participation in structures and power dynamics.

Apart from reputation and structural changes, company size is another factor affected by and affecting industries and forms of responsibility. Carrigan et al. (2016) look into the secretive fine jewelry sector and ask how SMEs within the industry respond to the economic, social, and environmental challenges associated with the jewelry supply chain. They identify a "harm chain" across different stages of the jewelry production and the institutional forces causing that harm. Given the complexity of the harm chain and the limitations due to their size, small businesses cannot overcome their negative impacts alone but need to better engage with their industry stakeholders. This insight suggests that SMEs in particular may be well advised to pursue an industry-specific form of CSR rather than going it alone.

Stakeholders are an essential aspect of industry-specific CSR. Their interactions and institutions constitute the organizational fields within which companies operate. Recognizing such stakeholders can be interpreted as a legitimacy signal, as Tanusree Jain et al. (2016) argue in their longitudinal cross-industry analysis on Indian business prior to the introduction of mandatory CSR regulation. The authors employ the concept of "corporate social orientation" or the managerial view of a firm's legitimate stakeholders to examine a sample of 100 large companies from various industries. In doing so, they uncover significant differences across those industries which are informed by four factors: the degree of competitive dynamics, the nature of products and services, the extent of negative externalities and social activism, and the exposure to international markets. Against the backdrop of these findings, the authors recommend learning from industry-specific soft laws rather than setting one legal standard.

In contrast to the aggregate stakeholder concept used by Jain et al., the paper by Chang (2016) focuses on one particular, ill-conceptualized stakeholder group, namely research participants in developing countries. So far they have been mainly treated according to the moral principle of autonomy and the legal doctrine of informed consent. However, Chang argues that ethical issues concerning how research participants in developing countries should be treated have evolved beyond the scope of informed consent and that they satisfy the criteria for granting them the status of stakeholder of the pharmaceutical company. This status should be maintained even after the clinical trial is completed, which holds true especially for research patients in the developing world. Those who have been instrumental in helping the sponsoring companies generate profits should have access to the drugs tested on them.

Companies in various industries may have distinct stakeholders, but all of them have at least one trade or industry association which claims to represent them. Although these organizations can be rather influential in the discourse on CSR and sustainability and national and international governance, little research had been carried out on trade associations so far. In his paper, Marques (2016) reviews relevant research from different streams of literature, asking whether industry associations are mere interest groups or self-regulatory institutions capable of addressing CSR issues. Based on insights from political science, economics, and management, the author develops two broad perspectives on industry associations: as interest groups they can be detrimental to society, whereas as self-regulatory institutions they can offer solutions to sustainability challenges.

In their paper, Berkowitz et al. (2016) explore another type of industry-specific aggregate: meta-organizations are organizations composed by other organizations and are used to develop CSR standards and policies. The authors study meta-organizations in the oil and gas industry, an industry that is complex and global in nature and therefore requires cooperation between many diverse stakeholders. The stakeholders use meta-organizations to collectively manage CSR issues in the oil and gas industry. The authors argue that due to the complexity and variety of issues, meta-organizations are intra-sectoral, sectoral, supra-sectoral (including related industries), and cross-sectoral (including unrelated industries). In other words, the issue at hand determines the set of actors and the mode of cooperation, and this may require an approach below the industry level or across industries.

Examples of different industry-specific modes of cooperation are provided by three papers dealing with national and international (self-) regulation. Baumann-Pauly et al. (2016) analyze industry-specific multi-stakeholder initiatives (MSI) that are increasingly seen as default mechanisms to address human rights issues. The authors offer a typology of MSIs, focusing on industry-specific MSIs in particular. By analyzing the mode of cooperation at the Fair Labor Association and the Global Network Initiative, especially in terms of the input and output legitimacy, they give evidence that industry-specific MSIs can constitute a legitimate and effective approach to protect human rights, at least in principle. Devising such an MSI is easier to do in theory than practice, the authors caution.

In their paper, Lin-Hi and Blumberg (2016) show how difficult the realization of industry-specific self-regulation actually can be and that suppliers play a crucial role in this regard. Their case study deals with the ICTI CARE Process (ICP), the self-regulatory industry initiative of the international toy industry. The authors show that implementation at the factory floor will only be effective if the participating factories do not suffer from a competitive disadvantage. This observation underpins the relevance of taking into account the perspective of suppliers when implementing self-regulating supply chain initiatives, the authors claim. At the same time, companies' buying practices need to be geared towards incentivizing responsible factories.

Industry-specific regulation allows for different modes of cooperation and includes governments. Rahim (2016) examines supplier regulation in the ready-made garments industry in Bangladesh. The author dismisses both self-regulation initiated by global buying firms as inadequate and local government regulation as corrupt. Instead he proposes a "new governance" approach. This approach converges three dominant theories of regulation: public interest, private interest, and regulatory capture. According to the "new governance" approach, government would no longer rely on command and control type regulation; its role would be rather to set the policy goals of social responsibility practices and to act as a facilitator in implementing these goals with the assistance of other stakeholders. Governments would thus engage in all modes of cooperation in order to co-provide effective governance of social and labor standards in the industry.

Industries and Beyond: Suggestions for Further Research

While an industry-specific perspective on CSR offers new avenues for research, it also has some potential drawbacks that should not be overlooked. It is important to note that concepts of classifications in different industries are themselves (relatively young) cultural products. The classification of economic activities started in the 1930s, when Colin Clark and Jean Fourastié introduced the three-sector hypothesis along with initial attempts to calculate national accounts (Staroske 1995). They were further elaborated and mainstreamed by international organizations, such as the United Nations and the OECD, in the postwar period and have become the standard way of thinking about economic activities today (Ward 2004). This historical background is important for decoding the following shortcomings of industry-specific perspectives and, more importantly, for understanding them as cultural artifacts that also allow us to think in other, complementary directions for further research.

First, an industry-specific perspective may still be too large an aggregating concept for small and medium-sized enterprises. These companies often struggle with formalistic and resource-intensive requirements of CSR, which is viewed as a concept pertaining to large corporations rather than to smaller businesses. In fact, the majority of initiatives studied in the papers of this special issue are primarily or exclusively tailored to the needs of large companies. Trade associations do not necessarily mitigate this effect since their largest contingents are often the most vocal ones.

Second, some sectors are quite diverse and can be organized into many different subsectors. For example, the ICT sector includes manufacturing as well as services. Likewise, even large companies within the same subsector may differ considerably in terms of business models, CSR issues, and locality. Such sectors can use “different languages,” thereby displaying more differences than commonalities.

Third, defining sectors may look arbitrary and abstract at times. Most classifications were created by statisticians who wanted to structure economic activities in a manner that they deemed reasonable. In doing so, they aggregated businesses that, to some extent, do not view themselves as belonging to the same sector, such as insurance and banking, which are both part of financial intermediation. Thus, the analytical value of such highly aggregated sectors is questionable.

Fourth, industrial sectors were never meant to structure or assign responsibilities. In fact, there are many calls for cross-industrial cooperation since it is believed that certain issues cannot be limited to a specific industry. For example, issues related to food are not the sole responsibility of the agricultural sector but, rather, also involve the wholesale and retail trade. Indeed, an industry-specific perspective may have a compartmentalizing effect on responsibility by encouraging silo thinking. The reason for this possible effect is not so much the idea of having practical frames for CSR but, instead, the sector definitions we are used to.

This does not mean that there is no alternative to thinking in sectoral boxes. Growing awareness of sustainable development has already led to alternative thinking about national accounts (Stiglitz et al. 2010). Grounding “the wealth of nations” on happiness and not on Gross Domestic Product are other suggestions in this context (Dixon 2006; Bruni and Porta 2007). What all the different concepts of new national accounts have in common is a modified normative basis.

Likewise, fifth, a different normative basis can help extend or perhaps even replace an industry-specific approach in CSR. Industry perspectives are very much related to products or concrete services. The automotive industry, for example, deals with cars and trucks. One possible switch is shifting attention from products to needs (e.g., sustenance, housing, communications, or mobility) and analyzing certain “fields of needs” more concretely (Beschorner et al. 2005). If economic activities were classified according to “fields of needs,” all companies catering to a specific need would be aggregated in the same group. For example, car manufacturing, bike manufacturing, public transport, and logistics would no longer constitute stand-alone industries but, rather, be subsumed under the umbrella need of “mobility.”

It is important to note that this is not merely a methodological switch, but also a normative one. In this case, needs are the normative end and the basis unit of the analysis, whereas certain products and services are means to this end. This change in perspective might lead to important consequences for sustainable development, as the example of mobility above illustrates. Political actors would have another basis for regulatory measures, such as fostering public transportation instead of promoting the use of individual motor vehicles. Corporations such as Volkswagen, Mercedes, or Toyota might define themselves as mobility enterprises and not just automotive companies, which lead to new markets (e.g., car-sharing concepts). Likewise, different providers of mobility services (e.g., car manufacturers, public transportation services, and rent-a-bike companies) might develop new forms of modular mobility (e.g., mobility passes). Eventually, the concept of (fields of) needs would bring back a consumer perspective and the possibility of meeting their needs (rather than of just getting them to purchase products).

The cultural perspective we have detailed above can also be useful for related future research. Given the fact that today’s needs—at least in rich countries—are less basic ones (e.g., satisfying hunger) but still very culturally marked and culturally characterized ones (e.g., fast food, slow food, candlelight dinners), an interpretative approach seems to be important for reconstructing (shared) “meanings” of (cultural) needs. Other concepts sketched above, such as contextualization (e.g., in specific regional contexts), organizational fields (of needs) or different modes of cooperation might also be a possible theoretical source for further empirical research.

Sixth, the strength of an industry-specific approach to CSR can be seen in its theoretical orientation on culturally embedded responsible practices and its empirically based approach that informs us about concrete "situations" (perceptions, crucial actors, institutional arrangements, etc.), localized in a given industry, at a certain time, at a certain place. It is important to note that these cultural perspectives also allow us to identify "factual normativity" in the social world, namely "social imaginaries" (Taylor) and normative orientations of actors (e.g., their understanding of CSR) as well as the underlying normativity of institutional arrangements (e.g., certain modes of cooperation in a field, rather soft law or rather hard law, etc.). In other words, cultural perspectives along with downscaling to very specific contexts can contribute to better understand some normative reference system, a stock of normative theories about the good and the right, and a set of action-guiding social norms and conventions in the context of CSR.

From our perspective, industry-specific CSR is also in this respect a very interesting field of application. While industry-specific CSR is theoretically as well as empirically still at the very beginning, it might have the potential to contribute significantly to the debate in business ethics.

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Compliance with Ethical Standards

Conflict of interest The authors declare that they have no conflict of interest.

Ethical approval None of the studies by any of the authors cited in this article involved human participants or animals.

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