

## **Organizing reputation making**

**The organizing of responsibility in the interaction between profit and nonprofit sector**

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## *Abstract*

This paper starts off with a small story from my own life which will be my departure point. After that it presents an introduction which describes the area of research. It will present some key concepts and a small literature review. There will follow a section of my theory approach which touches on institutional theory and what it can add to my study. In the end I state my approach to epistemology and ontology and finally I mention some possible empirical studies and methods.

## **Keywords**

Corporate Social Responsibility, Civil Society, Nonprofit Sector, Corporations, Institutional Theory, Actor, Field, Interaction and Negotiation.

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## 1 Introduction

A little happening, coincidence, a comment or a discussion that evokes thoughts, feelings, curiosity and makes you want to know more. That's what research is about. To explore and create stories. This one starts with a small episode in my own life, just as research often does. The first meeting with my future employee was at a recruitment day at Uppsala University. One of the big American management consulting companies is there to present their company and career possibilities. They are only looking for the most talented, driven and bright students and a lot of students are curious and wants to be the one. Of course they have a well prepared and nice looking slide show. The first slide shows some small facts about the company. The second slide shows their values and role in society and what Corporate Social Responsibility (CSR) they are working with. The picture show one of their consultants somewhere in Africa surrounded with children. After the meeting I apparently get a mark of *highly interesting* because they want to give me a "personal contact person". We meet up for coffee. I mention for her that I really appreciated to hear about all the good work they do for society. She said:

- Oh, Yes we should defiantly show more of that. It is so important these days and especially when recruiting young aware persons.

So I end up at an interview session and the day starts with one of the partners in the firm. He is going to introduce the day for us. Just as at the recruitment day he stresses their CSR-program. Each year the firm work pro-bono for different nonprofit organizations. But it is not totally pro-bono because he believes that will create an unhealthy market, so the prices of the experts are just reduced. He also point out that they believe it is better that they donate their expertise than just money donation. In that way they can contribute more efficient. As an example if you are an expert of logistic you can work with logistic for the Red Cross. I thought it was great! Isn't it? They just don't throw out money but actually put some thought in it. At the same time my thoughts started to spin. What kind of principles do they have for their business them self? I decided to ask the partner if they have any regulations for which companies they accept to work with. He gives me a confused look and asks me to specify my question. Are there any companies you would not make a commission for, because of responsibility reasons, in example the weapon industry? He looks even more confused and starts to mumble that they don't have any explicit rules but they don't accept all sort of commission. They decide from case to case and it's kind of up to the consultant in their discussions with the client. I feel confused too. So what does this mean? Theoretically then

they could one day take their social responsibility giving away their expertise on how to make efficient marketing campaigns for non smoking generation and at the same time have a tobacco company as a client, paying for a new strategic of how to find a new segment of customers for their new product. So basically: make a tobacco companies new advertisement efficient and at the same time make the anti tobacco advertisement as efficient as possible. In a pragmatic sense this would possibly never happen – but the possibility is there. So many questions came to my mind: Is the pro-bono work they do CSR? Why were they so eager to stress this pro-bono work at the recruitment and interviews session days? Is that to take social responsibility when they don't take any active responsibility for their main business? This happening intrigues me. How is CSR organized and made in real life? How does the collaboration between the nonprofit and profit sector look like? Who works with whom? And why?

All these thoughts and more I want to explore. One question always leads to several. And that is all what research is about: to find out, to be curious to explore and to discover. And in some cases its goal is to evoke reflection and in some cases to give answers. My aim is not to give answers but to make a piece that tells a story that emphasis reflection.

My research aim is to:

*Describe and understand* organizing processes of responsibility reputation management in the interaction between corporations and nonprofit organizations.

## **2 Background to the research field**

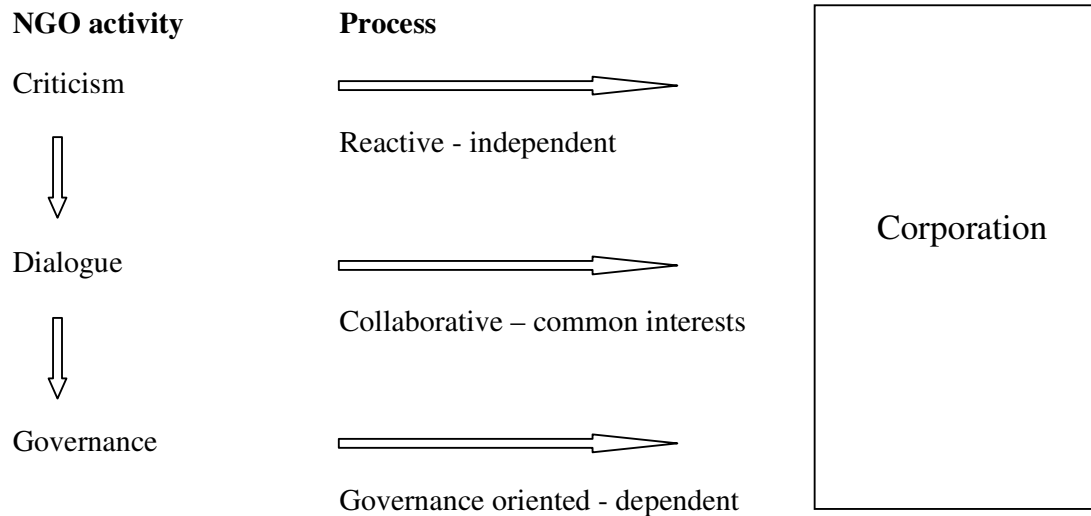
The organizations and companies get more and more dependent of media and still there is little research in the area of organization theory and this increasing dependency of media and the new growing sector of pr-consultants. Professor Engwall is in his research project: The Creation of European Management Practice (CEMP) concluding that media has an active role in shaping and spreading management ideas (Engwall 1999). Later are also studies showing that media sets the agenda, not only for the broad public but also more and more for the business world (Carroll, 2003). Also studies within the project GEMS (Global Enterprises, Mediators and Society) are concluding that corporate governance theories, which include only the relation between owners and employed leaders, should consider actors such as the state, grass roots movements and media.

The increased media dependency is also affecting how companies are organized. Many companies have started up specialized divisions to handle media contacts (Ericson, 1989 ;Pallas, 2007). The market for communication consultants or PR-consultants have also developed and grown.

Uppsala University is now starting a project called MEMAC (Media Managers and Communication Consultants) to research this area. The research project involves three broad questions; how are ideas about companies and their organizations spread through media? How are the relations between media and companies organized? How does Media's influence affect companies? This is the project I'm involved in. And one of the management ideas that are spread with the media and the new mediatization is Corporate Social Responsibility (Windell, 2006). Just as all the other image making this is an idea that both has to be internal organized and public organized.

In my introduction story we can both detect the organizing part as of telling the students about their work (image making) and how they act CSR. I'm interested in these two processes and want to exemplify the organizing of image by investigation of organizing acting and image-making of responsibility. And within this processes there is not only corporations involved. In the production line there are also other organizations involved. From the example above we can see that the nonprofit sector is involved in acting and image-spreading of the idea of responsibility.

The numbers of relations between corporations and NGO's have increased the latest years. But they have not only increased but also in many cases changed their character. Frostensson writes that "corporations do not any longer automatically fend off criticism and claims stemming from NGOs, but seem to embrace and respond to them." (Frostensson forthcoming:4). He concludes that the aggression and hostile relationship is turning towards cooperation and collaboration. They illustrate this by a figure like this. In the chapter it is claimed "that civil society and NGO's in particular have entered the institutional context of corporations to such a degree that modern governance must take civil society ideas and organizations into account"(Frostensson forthcoming:1).



### 3 Theory base - Institutional Theory

I will probably use new institutional theory as my department is mainly built on this theory and the development of the theory. Since I have not figured out exactly what my research question is about I'm not exactly sure which parts will be for use for me. But I'm interested in the links between the micro and macro level. And one potential field of my research is how responsibility is done (taken) in the corporate world, *how* ideas are *done* in the micro level. So *how* do actors do and translate ideas in their day to day life? I could also have use of the concept of legitimacy and decoupling. How is legitimacy and responsibility connected, why are they even connected? I would also like to see if this idea of responsibility leads to decoupling?

The new institutionalism appeared as a reaction towards something and wanted to make a point in relation to the existing organization theories. The researchers searched something beyond the rational decision making. March and Olsen (1989:747) wrote "what we observe in the world is inconsistent with the ways in which contemporary theories ask us to talk". The new institutionalists starts in Berger and Luckmanns's (1967) work on social constructivism. They show and analyze how everyday action creates structures and norms which in turn itself govern future everyday actions. They are also influenced a lot by Weber. Later on the institutional theory turns from the internal to studies of organizations and their environment. Further they talk about organizations as embedded. Another point that has been investigated a lot is why organizations behave so similar? Some key concepts in institutional theory seem to be: institution, field, scripts, legitimacy, institutionalization, decoupling and logics. DiMaggio

and Powell write that the theory should be seen as a multidimensional theory rather than an one-sidedly cognitive one. But if every organization is embedded and just act as other and as the institutions tell them then how does change occur? This has been discussed lately in institutional theory with help of the concepts of actor, actor hood and institutional entrepreneurship.

#### **4 Methodological considerations**

Depending of what we think the world consist of (ontology) will affect how we think knowledge can be produced (epistemology). Below I will describe my standpoints towards these concepts.

##### **Ontological considerations**

I believe the world consist of a reality that's is created by humans and that there is no such thing as real reality outside our construction. Burrell and Morgan (1979) define the ontological debate to be between the nominalism and the realism. The nominalist position mean that the social world outside individuals consists of names, concepts and labels which are used to structure reality. "The "names" used are regarded as artificial creations whose utility is based upon their convenience as tools for describing, making sense of and negotiating the external world" (Burrell, 1979:4). Realism takes instead a position for reality, it means that external social world is real and made up of hard, tangible and relatively immutable structures. The social world exists as empirical entities and do not depend on the individuals cognition. "it is not something which the individual creates - it exists "out there"(Burrell, 1979:4). According to this definition I definitely take a nominalist position in my research – I see the world as created by and between individuals and nothing else. What we see and act according to is a construction by humans. We together create our reality. I don't believe that facts exist but we construct some things as facts.

##### **Epistemological considerations**

Burrell and Morgan is defining the epistemological debate as a debate between the positions of anti-positivism and positivism. The positivistic approach try to find knowledge by searching for regularities and causal relationships. It is based on the natural sciences approach. They mean that "the growth of knowledge is essentially a cumulative process in which new insights are added to the existing stock of knowledge and false hypotheses eliminated"(Burrell,

1979:5). The anti-positivistic position means that there is no utility to search for laws or underlying regularities. The researcher has to understand from inside rather than from the outside. Social science is a subjective rather than an objective enterprise.

My research will search for a social world that has to be found inside. I also believe that social science will always be subjective and that there is no meaning to search for objectiveness. But it does NOT mean that the science has less value, it's just different. So therefore I also believe that there is no need to strive for objectiveness. I would also argue that natural science (that is seen as objective) is also subjective.

I would also hold that I take a social constructivism position. Which means I believe that the social reality are constructed in different ways in different contexts. It was Berger and Luckman with their book, *The Social Construction of Reality* (1966) who brought in the concept. They argue that social reality is constructed and negotiated inbetween people while we interact. They hold that all knowledge is derived and maintained in social interaction(Berger, 1967).

### **Methods and possible empirical areas**

Because of my standpoints above I will use a qualitative approach. Since my aim is to describe and reflect, a qualitative approach is more fruitful. I might partly do some quantitative approach, but more as a compliment. I do not mainly search for answers or explanations and therefore I think a qualitative approach is more useful than a quantitative. I will interview consultants that work in between the profit and the nonprofit sector to understand the interaction. Another possible empirical material are web pages, both to see how companies describe their partnership with the nonprofit sector, but also how the nonprofit sector market them self towards companies. There could also be a possibility to observe how a campaign or a project that involves both parts and how it is built and conducted.

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