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**The Caring Face of Business?
The Discursive Construction of the New Zealand
Businesses for Social Responsibility (NZ BSR)
Organisation.**

**A thesis submitted in partial fulfilment of the
requirements for the
degree of
Doctor of Philosophy
at the
University of Waikato**

**By
Clifford Allen**

**University of Waikato
2008**

Abstract

In 2008 the use of the term Business Social Responsibility (BSR) is now seen, in New Zealand at least, as being old fashioned. The field of BSR has been overwhelmed by the terminology of sustainability. In 1998, however, BSR in NZ was a new, exciting, and controversial development. The progression from BSR to sustainability is often presented as natural and inevitable but this thesis argues that BSR and sustainability in New Zealand arose from different roots and most of the key people who became involved in the NZ BSR organisation did so for reasons that were substantially different from the driving rationale of sustainability. Further, not all of those NZ BSR pioneers consider the current focus on sustainability to be a natural outgrowth of what they were trying to achieve through BSR.

This thesis applies critical discourse analysis to interview transcripts and archived documents to examine the competing discourses surrounding the formation of the NZ BSR organisation in New Zealand up until the time of its merger to form the Sustainable Business Network. The NZ BSR organisation was seen by some as primarily a reaction to the prevailing hegemony of the ideas of the neo-liberal New Zealand Business Round Table (NZBRT). The NZ BSR philosophy did not necessarily challenge the neo-liberal inspired reforms of the previous fourteen years but did offer an alternative way for businesses to react to the new environment they found themselves in.

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Table of Contents

Abstract.....	ii
Acknowledgements.....	iii
List of Figures.....	vii
List of Tables	vii
List of Acronyms and Abbreviations	viii

Chapter One: The Caring Face of Business? The Discursive Construction of the New Zealand Businesses for Social Responsibility (NZ BSR)

Organisation	1
Introduction	1
Overview	1
A. Purpose: Why I am attracted to this topic and why it is important.	3
I. A fair go? Locating myself in relation to the research	9
II. What is my guiding RQ?	10

Chapter Two: Background and Research Context..... 13

Introduction	13
A. History of BSR/Sustainability movement:	13
I. Frames for BSR	18
B. The New Zealand political/economic context:	
Key developments since 1984.....	20
C. Organisations concerned with BSR.....	24
I. Explicit versus implicit concern for BSR.....	24
D. Overview of the NZ BSR/SBN, and NZBCSD organisations: The development of New Zealand's Business Social Responsibility and Sustainability organisations..	27
Summary	33

Chapter Three: Literature Review and Relevant Theoretical Perspectives

Outline of Chapter	34
Overview	34
A. Interrelationships of business and society:	
Theories and practical perspectives on “social economics”.	37
I. Neo –Liberalism.	37
II. Social Accounting and triple bottom line.....	42
III. Sustainability and ecological modernisation	43
IV. “Third Way” politics and stakeholder theories.....	47
B. Relationships between internal and external organisational communication	51
I. Corporate image function of BSR	51

C. Interorganisational communication in the context of business-business networks.	57
I. Overview of network analysis	58
II. Interorganisational relationships	59
D. Primary and secondary research questions	62
Conclusion.....	63
 Chapter Four: Methodology and Method	65
Introduction	65
A. Critical interpretive perspective	65
I. Interpretive	66
B. Relationships between discourse and society: As relevant to both theory and method	68
I. Critical theory	68
II. Legitimation	69
III. Hegemony	70
C. Critical Discourse Analysis	72
I. Textual analysis	75
II. Discursive practice (production, distribution, consumption).	77
III. Social practice	81
IV. Overall design of the study	82
D. Methods of data collection:	83
I. Data collection: Sampling of documents.....	85
E. Methods of data analysis:	86
I. First level: Descriptive, thematic analysis.....	86
II. Second level: Inferential	87
III. Third level: Speculations	87
F. Limitations: Methodological limitations	88
 Chapter Five: Findings I. Discourses of BSR, Key Turning Points, and Timeline of the Development of the NZ BSR	90
Introduction	90
Organisation of the chapter	92
A. Discourses that contributed to the development of the NZ BSR	93
I. NZBRT position on BSR.....	93
II. Proper role of business in society.....	95
III. Stakeholding	97
IV. Where social responsibilities should properly lie.....	98
V. Dick Hubbard, NZBRT and the early discursive development of the NZ BSR	100
B. Development of the NZ BSR. Pre-launch steering committee	107
I. Inaugural meeting of the NZ BSR steering committee	108
II. Debate.....	113
III. Launch.....	114
IV. Consolidation 1999-2000	119

V. 2000.....	122
VI. Pre-merger 2001	124
VII. Merger 2002	131
Conclusion.....	133

Chapter Six: Findings II. Articulations, Discourse Transformation, and Inter/intraorganisational Links. 134

Introduction	134
A. Research question 1. In what way did the NZ BSR organisation contribute to the public discourse of social responsibility?	135
I. Articulations to shift the discourse	135
II. Subject position of Dick Hubbard.....	138
III. NZ BSR as business organisation.....	140
IV. Articulating the ‘economic’ with values.	143
V. Social section	148
VI. The NZ BSR position on stakeholding.....	149
B. How and why did the discourse of social responsibility transform into a discourse of sustainability?	152
I. Introduction	152
II. The NZ BSR as social versus environmental organisation.....	153
III. Formation of the SBN.....	159
C. How did the NZ BSR organisation function as an inter-organisational network, that is, in terms of shared interests, vocabulary, and identity?	162
I. The NZ BSR as network.....	163
II. Types and intensity of links	167
III. Suggestions of relations of power within and between entities/institutions.....	171
IV. Relationship with government.....	174
Conclusion.....	176

Chapter Seven: Findings III. Confusing BSR and Sustainability 178

Introduction	178
A. The meaning of BSR - Overview	179
B. The meaning of BSR	182
I. Confusing BSR and sustainability.....	182
II. Degrees of sustainability	184
IV. BSR after NZ BSR.....	187
V. Differences between SBN and NZBCSD?.....	189
VI. Was BSR carried through to the SBN?.....	190
VII. The effects on social practice	193
VIII. BSR in relation to government and the theory and practice of democracy	195
Conclusion.....	198

Chapter Eight: Implications for Theory, Recommendations for Policy and Further Study, and Concluding Remarks	199
Introduction	199
Overview of the thesis.	199
A. Where to from here?	201
I. Desirability of business's involvement in setting of values.	201
II. Future of BSR - recommendations for policy	205
III. Further research	208
Concluding remarks	209
 Appendix: Trigger Questions for Semi-structured Interviews.....	212
 References	214

List of Figures

Figure 1. The Four P's of new paradigm business	28
Figure 2. SBN/TNS model	30
Figure 3. NZBCSD initial sustainability model.....	32
Figure 4. NZBCSD current sustainability model.....	32
Figure 5. Diagram of NZ BSR Community within the SRB Community....	168

List of Tables

Table 1. A continuum of viewpoints on Business Social Responsibility	37
Table 2. A continuum of viewpoints on Sustainability	46
Table 3. Other organisations in Relation to NZ BSR	168
Table 4. Relative positioning of groups.....	172

List of Acronyms and Abbreviations

ACT	Association of Consumers and Taxpayers
AEBN	Auckland Environmental Business Network
BSR	Business Social Responsibility
CDA	Critical Discourse Analysis
CRM	Cause Related Marketing
CSR	Corporate Social Responsibility
CSP	Corporate Social Performance
EBN	Environmental Business Network
ECA	Employment Contracts Act
ESR	Engineers for Social Responsibility
NZCBESD	New Zealand Centre for Business Ethics and Sustainable Development
NZBCSD	New Zealand Business Council for Sustainable Development
NZBRT*	New Zealand Business Roundtable. (<i>*NB. Referred to in this thesis as the NZBRT rather than the usual NZBR to more clearly distinguish it from the NZBSR).</i>
NZ BSR	New Zealand Businesses for Social Responsibility
SBN	Sustainable Business Network
SD	Sustainable Development
SDR	Sustainable Development Reporting
SME	Small to Medium Enterprise
SMP	Supplementary Minimum Price
SOE	State Owned Enterprise
SR	Social Responsibility
TNC	Trans National Corporation
Triple B	Businesses for a Better Bay
TBL	Triple Bottom Line
WBCSD	World Business Council for Sustainable Development
WEBN	Waikato Environmental Business Network

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Table of Contents

Abstract.....	ii
Acknowledgements.....	iii
List of Figures.....	vii
List of Tables	vii
List of Acronyms and Abbreviations	viii

Chapter One: The Caring Face of Business? The Discursive Construction of the New Zealand Businesses for Social Responsibility (NZ BSR)

Organisation	1
Introduction	1
Overview	1
A. Purpose: Why I am attracted to this topic and why it is important.	3
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Introduction	13
A. History of BSR/Sustainability movement:	13
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B. The New Zealand political/economic context:	
Key developments since 1984.....	20
C. Organisations concerned with BSR.....	24
I. Explicit versus implicit concern for BSR.....	24
D. Overview of the NZ BSR/SBN, and NZBCSD organisations: The development of New Zealand's Business Social Responsibility and Sustainability organisations..	27
Summary	33

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III. Sustainability and ecological modernisation	43
IV. “Third Way” politics and stakeholder theories.....	47
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I. Overview of network analysis	58
II. Interorganisational relationships	59
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Conclusion.....	63
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Introduction	65
A. Critical interpretive perspective	65
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B. Relationships between discourse and society: As relevant to both theory and method	68
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II. Discursive practice (production, distribution, consumption).	77
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IV. Overall design of the study	82
D. Methods of data collection:	83
I. Data collection: Sampling of documents.....	85
E. Methods of data analysis:	86
I. First level: Descriptive, thematic analysis.....	86
II. Second level: Inferential	87
III. Third level: Speculations	87
F. Limitations: Methodological limitations	88
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Introduction	90
Organisation of the chapter	92
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II. Proper role of business in society.....	95
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IV. Where social responsibilities should properly lie.....	98
V. Dick Hubbard, NZBRT and the early discursive development of the NZ BSR	100
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Conclusion.....	176

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Introduction	178
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Introduction	199
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III. Further research	208
Concluding remarks	209
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 References	214

List of Figures

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Chapter One

The Caring Face of Business?

The Discursive Construction of the New Zealand Businesses for Social Responsibility (NZ BSR) Organisation

Introduction

The focus of this thesis is on the communication of the New Zealand Businesses for Social Responsibility organisation (NZ BSR) and specifically the discourse, or how the knowledge and social practice (Fairclough, 1992; Foucault, 1972) of business social responsibility was generated and demonstrated. The founders and members of the NZ BSR had first to talk the organisation into existence – they had to variously explain, persuade, and demonstrate what they meant when they promoted the concept of BSR and what they stood for as a collective. The concepts of discourse and discourse analysis are therefore useful tools to explore the development of the NZ BSR. Discourses not only tell us what is, or has been, out there, and hence reproduce a particular view of social reality (Fairclough, 1992), but they also tell us how things might be. They help to constitute our view of the world. Additionally, discourses are modified over time when they are challenged and mixed with other more or less powerful discourses. In order to fully consider how the discourse of BSR was constituted — and how it has been subsequently modified — it is necessary to consider it against the background of the relevant political, economic, and social trends both in New Zealand and internationally.

Overview

Chapter one of this thesis is divided into three sections. The first section is an overview of the thesis and describes the content of each chapter. The second section presents the purpose; why I am attracted to this topic and why it is important, which includes a discussion of how my particular study is important to the topic of BSR. It also offers some insights into the transition to *sustainability* as the preferred terminology for business in New Zealand.

In the chapters that follow I will first consider the relevant background and research context for the study which includes: a history of the BSR movement, the New Zealand political and economic context and key developments since 1984, and a brief overview of the NZ BSR organisation. Following the background and context established in Chapter two the literature review (Ch. 3) covers relevant theoretical perspectives. Chapter three looks, first, at the interrelationships of business and society and theories and practical perspectives on social economics. The second section describes and clarifies the relationships between internal and external organisational communication, and section three looks at interorganisational communication in the specific context of informal networks. The penultimate section considers relationships between discourse and society. This section of the discussion is relevant to both theory and method because critical discourse analysis is concerned both with uncovering manifestations of power in language and the social, political, and economic contexts of discourses. The final section of chapter three revisits the primary and secondary research questions addressed in this study.

Chapter four first describes the critical-interpretive perspective and what the terms *critical* and *interpretive* mean for the methodology in this study. The methods of data collection and the three levels of data analysis are then explained.

Chapter five is the first of the results chapters referring to the descriptive and thematic analysis which is the first phase of analysis.

Chapter six, the second of the results chapters, refers to the application of key relevant concepts from Critical Discourse Analysis paying special attention to unexpressed as well as expressed value assumptions, ideological implications of various kinds of 'positioning', suggestions of relations of power within and between entities/institutions.

Chapter seven refers to the third level of analysis where there is speculation on the meaning of BSR, the effects on social practice, and the desirability of businesses' involvement in the setting of values, and the theory and practice of democracy.

Chapter eight covers implications for theory where some thought is given to the future of BSR, including the desirability of business being involved in the

setting of values. Also included are some recommendations for policy and further study and concluding remarks.

A. Purpose: Why I am attracted to this topic and why it is important.

One reason this topic is important is the need for constant awareness, and critical appraisal, of developments that affect societies. To any interested observer of what does, and does not work, in society it is becoming increasingly obvious that pure free market, or pristine, capitalism (Gray, Owen, & Adams, 1996) of the type advocated by neo-liberal commentators is not universally accepted by business people. The theory and practice of BSR (CSR) has been one development by business to present a caring face of business.

Internationally, theories and concepts of the social responsibilities of business have been widely advocated (Bowen, 1953; Carroll, 1991; Carroll, 1999; Cochran, 2007) with much important theoretical input coming from the discipline of accounting (Gray, 2001; Gray, Kouhy, & Lavers, 1995; Gray et al., 1996; Gray, Owen, & Maunders, 1998) which explores the economic, social, and environmental accountability of business. The central focus of the accounting scholars is a concern with accountability, as accountability equates to transparency which is, as Gray et al., (1996) explain, vital to the practice of democracy: "The demos must choose about what is done to their communities, environment and social structures—but choose in an informed and enlightened way. CSR at its best should be a democratic force" (p. 25). BSR theoretically has the important function of being a democratising influence by providing accounts of the activities and impacts of organisations.

BSR, Corporate Social Responsibility (CSR) and, increasingly in New Zealand, sustainability, are advanced as sources of competitive advantage through the concept of doing well by doing good. The development of the NZ BSR organisation is therefore significant if we consider it in the light of the increasing recognition of reputation as a source of organisational and brand legitimacy. Indeed the practice of BSR internationally has become central to the self-definition and public image of many organisations. For well-known companies like The Body Shop and Ben and Jerry's, social responsibility is both a set of

value commitments, and a point of differentiation that can be utilised for marketing and public relations purposes. With the recognition that brand identity and organisational reputation are of paramount importance (Christensen, 2001; Fombrun, 1996) there is consequent interest in the maintenance of organisational legitimacy which requires that an organisation reduce or close any perceived legitimacy gap between the organisation and its stakeholders (Heath, 1994; Sethi, 1977). This is especially important with direct challenges to reputation or credibility which is recognised in traditional reactive public relations. The point about legitimacy is also relevant to proactive efforts by businesses to boost their images and manage issues (Cheney & Vibbert, 1987). According to (Heath, 1997) gaps between publics' expectations and business performance can arise because of differences in fact, differences in value, and differences of policy.

On one hand there is scepticism over the motivations behind such an approach because BSR works within existing power structures to promote (limited) change and therefore may merely legitimise current structures and organisational behaviour (Gray et al., 1996). Alternatively there is scope for BSR to illuminate the "failings of liberal economic democracy" and "make the loss of democracy and accountability explicit while demonstrating how accountability and democracy can be improved and developed" (Gray et al., 1996, p. 27).

The use of the term Business Social Responsibility (BSR, or Corporate Social Responsibility, CSR) underwent a revival internationally during the late 1980s when the social damage caused by adherence to neo-liberal inspired free market ideas became apparent. Along with the neo-liberal inspired socio-economic reforms in New Zealand there were, coincidentally, big changes in how national economies fitted together globally. The relaxation of cross border financial regulations, accompanied by the introduction of electronic communication networks (Castells, 1996) contributed to the rapid transference of manufacturing to low wage countries. The development of the NZ BSR movement can thus be viewed against the background of the salient international interest in the relationship of business, governments, and society in the light of concerns over marketisation and globalisation (Gray, 1998; Hutton & Giddens, 2000; Klein, 2000; Luttwak, 1999).

The development of the NZ BSR can be seen as an attempt to buttress business legitimacy in an age when that legitimacy was, and is, increasingly being questioned. It can also be seen as a response by some concerned business people to societal demands for improved business ethics and accountability. The development of the NZ BSR is one moment in the social history of New Zealand that reflected the shifting economic and social perspectives of New Zealanders. While many would not consider it a profound or major shift, it did reflect an historical juncture; the beginning of an attempt to rearticulate the order of discourse (Fairclough, 1992) of business with a discourse of social values.

The purpose of my research is to track and analyse the development of the discourse promoted by New Zealand Businesses for Social Responsibility (NZ BSR) organisation from its formation in 1998, to its eventual merger in 2002 with the Auckland Environmental Business Network (AEBN), to become the Sustainable Business Network (SBN).

The shift towards BSR was prefaced by events that occurred in New Zealand from 1984. After 1984 there was a shift away from the universal welfare state in New Zealand with the partial and full privatisation of what had been government responsibilities. Rail, air, banking, postal services, electricity, telecommunications — to name a few — were fully or partially privatised and a significant amount of power over social spheres was shifted out of the immediate control of elected government officials and over to business (Easton, 1997; Hazeldine, 2000; Jesson, 1999; Kelsey, 1993, 1995). The rolling back of the state (Kelsey, 1993) through privatisation meant that throughout the 1990s there was an ongoing process of corporatisation of state assets into State Owned Enterprises (SOEs). The responsibilities for these SOEs were widened to include the financial bottom line which resulted in a transition from a predominantly welfare, or social perspective, to an economic perspective, even though it remained a mandatory requirement of SOEs that they consider issues of social responsibility (Kelsey, 1993).

Also, in 1995 Bill Birch, the then Minister of Finance in New Zealand, said that there was a growing inequality gap between rich and poor in New Zealand and added: "That doesn't worry me" (Kelsey, 1995, p. 271). There was nothing unusual about this statement in the context of the times but those words

were quite a shock to me because they crystallised a feeling of disquiet. New Zealand underwent massive socioeconomic changes in a short space of time and it was fervently hoped that the shock, disruption, and hardship experienced by many would ultimately be for the best. New Zealanders had consistently been told that all that is good comes from economic success and that the financial high flyers deserved big rewards because they took big risks. Also, the greater the rewards for the highest achievers then the greater, according to neo-liberal theory, the 'trickle down' effect would be. By 1996 however the gap between rich and poor had increased dramatically but the promised trickle down obstinately refused to happen. The resulting hardship for those on the bottom of the heap was becoming visible to all.

The developing gap between rich and poor had long been something that neo-liberal thinkers internationally explained was a natural consequence of progress and success, and not something damaging to society as a whole.

Krugman (2002) writes:

That was the moral Business Week tried to convey in its recent special issue with "25 Ideas for a Changing World." One of those ideas was "the rich get richer, and that's O.K." High incomes at the top, the conventional wisdom declares, are the result of a free-market system that provides huge incentives for performance. (p.8)

What was disturbing about the Birch comment was that it bought home that a politician, an elected representative of the people, was comfortable with an increasing gap between rich and poor at a time when the 'rising tide lifts all boats' or 'trickle down' theories were patently not working, even though they had been the dominant ideas for more than a decade. This was not the egalitarian New Zealand I had been born into and grown up in. Others obviously felt the same way (Kelsey, 1993, 1995) and in the national elections of 1996 many New Zealanders thought they were voting for a change in direction. For various reasons however — outlined in full in the next chapter — change did not come until 1999.

The formation of the NZ BSR in 1998 therefore marks a shift in the relationship between business, society, and government in New Zealand. The launch of the organisation was an attempt by some New Zealand business people to reclaim some humanity in an age when the prevailing wisdom was that the only bottom line business should be concerned with was the financial bottom line.

Paradoxically, and to the bewilderment of some of those involved with BSR, the benign quest for humanity in business was seen by others as radical and perfidious.

The concept of BSR has been, in New Zealand at least, overwhelmed by the terminology of sustainability. In 1998, however, BSR in NZ was a new, exciting, and controversial development. The progression from the terminology of "BSR" to "sustainability," or the shifting of the discourse, is often presented as natural and inevitable. I will argue, however, that BSR in New Zealand arose from predominantly social roots and the reasons most of the key people became involved in NZ BSR were substantially different from the underlying environmental drivers of sustainability. Further, not all of those BSR pioneers consider the current focus on sustainability to be a natural outgrowth of what they were trying to achieve through BSR.

BSR in New Zealand was seen by some (not all by any means) as a reaction to the prevailing hegemony (Gramsci, 1971) of the ideas of the powerful neo-liberal inspired business lobby group, the New Zealand Business Roundtable (normally referred to as the NZBR but for the sake of clarity referred to here as the NZBRT). This group had been closely aligned with the political thinking and economic restructuring of New Zealand since 1984. The formation of a business group with a social and environmental agenda, the NZ BSR, did not necessarily challenge this restructuring of the economy, but did offer an alternative way for businesses to react to the new environment they found themselves in.

Prior to 1999 the neo-liberal view of an unfettered market economy, as espoused by the NZBRT and the ACT party, was dominant. Since 1999 New Zealand has had coalition governments led by a Labour party that advocates a (slightly) modified version of capitalism, popularly known as ThirdWay capitalism (see chapter three for more detail). The controversy surrounding the formation of the NZ BSR represented a clash of ideas over the role of business in society which, at its core, questioned the type of capitalism relevant to New Zealand. The NZ BSR was attacked for not adhering to the fiercely held beliefs of the neo-liberal faction, with facets of BSR being compared to socialism. At the same time, political developments since 1999 have meant the type of capitalism we have in New Zealand has been, to an extent, negotiated. There is no direct link

between the development of the NZ BSR and the election of the Labour government but the voters of New Zealand had certainly become tired of the dominance of the neo-liberal agenda. The NZ BSR movement was apolitical but there is a similarity in approach in that both the Labour-led government and the NZ BSR offered alternative viewpoints to pristine capitalism.

As indicated above the most vociferous opponents to the ideals of the NZ BSR were the Friedmanite, New Zealand Business Roundtable, as well as the ACT political party. The primary tension thus created was not between the traditional adversaries of pro/anti business groups, but between business groups with differing worldviews. It is my intention to explore the differences and similarities between these two viewpoints in order to help throw light on deeper concerns over whether the move toward business social responsibility will contribute to the intended development of a more participative and democratic society (Gray et al., 1996). It is also possible that a socially responsible business movement will merely contribute to and reinforce the power of the neo-liberal hegemony in that 'social responsibility' is readily available to be marketed and packaged for a business competitive edge. A major discourse modification occurred with the terminological shift from the language of "BSR", at the inception of the NZ BSR, to the language of "sustainability". A result of the terminological shift is the transference of immediate 'responsibility' to a distant and ill defined, but 'sustainable' future point (Milne, Kearins, & Walton, 2006), something that makes the achievement of sustainability equally, if not more, problematic than BSR.

The development of the discourse of BSR is evident in the constantly intertwining and evolving discursive strands (Jäger, 2001). The points of discursive contest, like the debate, are often highly visible, whereas the areas of discursive contact and intermingling are equally as important but often unremarkable and of interest only to the researcher. The discourse of BSR was influenced by the contemporary and subsequent development of other groups interested in the role of business in society. One such group, the New Zealand Business Council for Sustainable Development (NZBCSD), is the New Zealand branch of the powerful World Business Council for Sustainable Development (WBCSD) and represents larger companies, both domestic and multinational.

Another network of groups was the Environmental Business Networks (EBN) of which the most influential member was the Auckland EBN (AEBN). There were other groups that had an impact, like NZ BSR founding board member Dr Rodger Spiller's New Zealand Centre for Business Ethics and Sustainable Development (NZCBESD), which was central in establishing ethics awards for New Zealand business. Paradoxically, the NZBRT has the distinction of contributing to the concept of BSR by opposing, and therefore publicising and popularising the concept. Part of the analysis is dedicated to how these groups interacted.

This study of the discursive development of the NZ BSR is important because it looks at the dialogue that occurred in a small country with a relatively sophisticated western economy with a homogenous population. By studying the development of the discourse of social responsibility, and the transition to sustainability it is possible to identify the factors that contributed to discursive shifts. Any discourse is a "jamboree of claims and concerns" (Hajer, 1995, p. 1) and therefore identifying what claims, and hence what interests, have dominance in a discourse is central.

I. A fair go? Locating myself in relation to the research

As a critical interpretive researcher my own position in relation to this research needs to be established (Lincoln & Guba, 2000). I am a Pakeha male (New Zealander of European descent) from a farming family. The early death of my father meant that I grew up in small- town NZ with my family and stepfather, which proved to be significant for me because of the life experiences of my stepfather. Farming communities in NZ are traditionally conservative and my background could have been similarly conservative. My stepfather, however, was one of thirteen children and his father was a staunch admirer of depression era Labour Prime minister Michael Joseph Savage. Savages' policies in the 1930s were credited with saving many from extreme privation. The gratitude to Savage was such that his photograph was displayed above the fireplace in my stepfathers' family home, as it was in many New Zealand households. My formative teenage years were spent in the relative privilege of a private boy's school, a legacy of my father's will, but growing up in a small town made up of predominantly physical labourers (and eventually being one myself) also gave me a different perspective; a feeling for what we in New Zealand call giving someone a 'fair go'.

I do not claim to have an intimate knowledge of economics or business practices and processes. As a researcher my interest in this topic is focused on the type of society we live in, or wish to live in, and what is the best mechanism to achieve it. The growing disparity between rich and poor has already been identified as an element of modern New Zealand but that gap was anathema to the New Zealand society I grew up in. My disquiet with Bill Birch's comments was because NZ was idealised as a country where you could get a 'fair go'. While I am not advocating a return to the 'good old times' of universal welfare equally I do not believe that pristine capitalism can deliver the best type of society for New Zealand. I was interested, therefore, in the concept of BSR because it appeared to provide a new direction with business taking responsibility for the extra influence it was granted in society. In short it offered the possibility of business contributing to a 'fair go' in the newly restructured economy and a society.

My academic interest in the NZ BSR organisation arose from my Masters dissertation which focused on the communication of BSR in New Zealand company annual reports (Allen, 2000). Prior to my study, the reporting of social responsibility in annual reports had been assessed on a quantitative basis which did little to illuminate the possible motivations of corporate rhetors. In my study I found sources of discursive tension between the concept of social responsibility and how it is reported. A study of the NZ BSR organisation enables a more in depth study into how BSR is talked about, practiced, and understood in New Zealand.

II. What is my guiding RQ?

The primary objectives of this study are, first, to track the organisational and ideological development of the NZ BSR network. This is done in order to explain how the social-political-economic conditions contributed to the development of the NZ BSR. Also important is how the NZ BSR contributed to the construction of the discourse of social responsibility, within the context of the changing and contested roles of business and government in NZ society. Specifically, the study seeks to answer the following research questions:

1. In what way did the NZ BSR organisation contribute to the public discourse of social responsibility?
2. How and why did the discourse of social responsibility, within and beyond this network, transform into a discourse of sustainability?
3. To what degree did the NZ BSR organisation function as an inter-organisational network—that is, in terms of shared interests, vocabulary, and identity?
4. What may be suggested or predicted about the future configuration of business-government-society relations in New Zealand?

The NZ BSR organisation and the social, political, and economic conditions in New Zealand can then be compared to international developments in the relationships between business, government, and society. Thus the study is aimed at better understanding the contested and evolving nature of the relationship between business, government and society and to highlight and explore tensions that exist. The NZ BSR offers an excellent research opportunity to:

- explore the theoretical and practical rationales for its development and subsequent transformation and to
- explore how the organisational members viewed the function of the organisation.

Did the founders and members of the NZ BSR organisation, for example, see it as an evolutionary construct to redefine and refocus business involvement in society to a more inclusive and democratic model? The development of areas like the organisation's policy or position on "who got in and who was left out" would prove extremely informative in light of the fact that it is inevitable that some businesses will want to ally themselves with the NZ BSR solely for public relations or marketing reasons, whereas others will have a more authentic values-based BSR or sustainability commitment.

Chapter Two

Background and Research Context

Introduction

In this chapter the background and research context for the study is covered. In section A of this chapter there is first a brief history of BSR, referring to international developments along with some frames, or motivations for the adoption of BSR. In section B the New Zealand political and economic context is explored especially key developments since 1984. Section C is concerned with BSR organisations in an international context focusing on the US and the UK are considered beginning with the explicit versus implicit concern for BSR. Finally there is an overview of the NZ BSR and SBN organisations considering their nature, history, and roles in NZ with additional reference to the NZBCSD.

A. History of BSR/Sustainability movement:

Several writers of the history of BSR (Carroll, 1999; Gray et al., 1996) identify the publication of the book *Social Responsibilities of the Businessman* (1953) by American businessman Howard R. Bowen as the first writing on the subject of BSR from a mainstream or business point of view. His recognition of the power and reach of big business in society motivated Bowen, and in his book he undertook one of the first definitions of BSR: "It refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society" (Bowen, 1953, p. 6). Carroll also quotes the results of a study undertaken by *Fortune* magazine in 1946:

Wherein the magazine's editors thought that CSR, or the "social consciousness," of managers meant that businessmen were responsible for their actions in a sphere somewhat wider than that covered by their profit-and-loss statements... It is fascinating to note that 93.5% of the businessmen responding agreed with the statement. (p. 270)

Though not the only writer to deal with social responsibility in the 1950s Bowen, is acknowledged to be the most influential because of his specific focus on BSR. During the 1960s the development of BSR continued with attempts to

theorise and provide more precise definitions for the concept. At this time Keith Davis (1960) introduced an important idea for the development of accounting theories of BSR which was that social responsibility could be justified economically, and could perhaps be accounted for (Carroll, 1999). Other writers at that time (Davis & Blomstrum, 1966; McGuire, 1963) drew attention to and focused on the responsibilities of business beyond legal and economic requirements. Other important aspects of BSR to be explored during the 1960s were the notion of ethical business (Davis & Blomstrum, 1966), and the intimate relationship and the interconnectedness of business and society which prefigured a systems approach to theorising about BSR (Walton, 1967). Also voiced was the idea that BSR should be voluntary in order to be defined as BSR. The division between those who advocate mandatory or voluntary BSR is important and has become an important point of debate over the practice of BSR.

The 1960s and 70s was an era of social consciousness with the rise of the counter culture movements of civil rights, feminism, environmentalism, and the consumer power movement inspired by Ralph Nader. There was a parallel increase in interest in the concepts of BSR and, in the spirit of the times; the practice of BSR seems to have been driven by a genuine attempt to enact a broadly conceived social responsibility. Also in the 1970s, Milton Friedman made his famous pristine capitalist statement in *New York Times* magazine article titled; *The Social Responsibility of Business is to Increase its Profits*. The article established the argument that has been consistently employed to counter those advocating BSR in New Zealand and elsewhere. The argument is that to provide maximum benefit for society business should be left to fulfil its only responsibility, which is to maximise profits for shareholders (Kerr, 1999). The American Committee for Economic Development (CED) also became involved in the discussion of BSR with the publication of *Social Responsibilities of Business Corporations* (1971): "The CED observed that business functions by public consent and its basic purpose is to serve constructively the needs of society- to the satisfaction of society" (Carroll, 1999, pp. 274-5). Also important was the CED recognition that the relationship between business and society was evolving:

Business is being asked to assume broader responsibilities to society than ever before and to serve a wider range of human values. Business enterprises, in effect, are being asked to

contribute more to the quality of American life than just supplying quantities of goods and services. Inasmuch as business exists to serve society, its future will depend on the quality of management's response to the changing expectations of the public (Carroll, 1999, p. 275)

Carroll also notes that the CED may have been responding to the development of social movements at the time. In his book *Taking the Risk Out of Democracy* (1997) Carey describes the CED as:

Arguably the first corporation-funded economic policy research organization in the modern manner, that is, self consciously bringing together the resources of American business and universities for the purposes of planning and persuading the public to its business agenda. (p. 122)

An impulse behind the CED involvement in the discussion at the time may have been the very real possibility that social agitation by special interest groups could lead to government legislation. Social responsibility was also a topic of debate in the United Kingdom and aspects of it nearly became company law (Gray et al., 1996).

With the increased interest in BSR in the 1970s the social/political nature of the practice of BSR was becoming apparent. While a response to the times, there were some important facets to BSR that prefigure the different understandings of BSR that have developed since. One of the fundamental positions of BSR is that it:

Clearly questions the unique dominance of investors as the primary (or at least the only) participants in the organisation; it is clearly non-passive in that it must always imply some assumption about the desirability and direction of social change; and, in exposing the fundamental beliefs of the protagonists (about society, politics and even the human species itself), CSR naturally increases the opportunity for basic and profound disagreement. (Gray et al., 1998, p. 7)

There were also attempts in the 1970s to articulate BSR with some form of social contract but the form of that contract was not specified so the assumption was that business would operate as though a contract existed. The lack of a definition of what the social contract was to consist of meant that, while a useful way to understand BSR, the idea of a social contract did not make a significant contribution at the time.

The comprehension that business should anticipate social and environmental concerns and not just focus on being responsible to society has been the basis for the development theories of issues management and stakeholding. Sethi (1974) is considered to be one of the first writers to outline the framework that would become further defined in the public relations discipline of issues management (see also Heath, 1997). Carroll (1999) notes that Sethi offered three definitions of the possible interaction between business and society:

In Sethi's schema, social obligation is corporate behavior "in response to market forces or legal constraints" ... The criteria here are economic and legal only. Social responsibility, by contrast, goes beyond social obligation. He stated, "Thus, social responsibility implies bringing corporate behavior up to a level where it is congruent with the prevailing social norms, values, and expectations of performance. Sethi ... stated that whereas social obligation is proscriptive in nature social responsibility is prescriptive. The third stage in Sethi's model is social responsiveness. He regarded this as the adaptation of corporate behavior to social needs. This stage is anticipatory and preventive. (p. 279)

The various possible approaches to the understanding of BSR: social obligation, social responsibility, and social responsiveness, prefigure how business utilises concepts of BSR. The strategic use of BSR to manage a legitimacy gap between the organisation and society, or the "greening" of business (Beder, 1997; Hawken, 1993; Tokar, 1997) is one of the most controversial aspects of BSR and has made many sceptical of the business adoption of social agendas.

New Zealand kept up with international fashions and concerns in thinking about BSR and Robertson of Massey University (1977) wrote of the need to consider the business society interaction:

In recent years there has been increasing concern expressed in professional journals and the popular press that companies should act socially responsibly. Accompanying this concern is the demand for public disclosure of corporate social responsibility. Owing to its availability to the public and the type of information presented within it, the Annual Report is a convenient document through which such disclosure can take place. (p. 1)

Robertson went on to say that there was no legal requirement to disclose social information and it was in the best interest of accountants to encourage voluntary disclosure to avoid the introduction of legislation (Robertson, 1977).

During the 1980s there was little development in the way BSR was conceptualised. This was possibly because the definitional framework and understanding of BSR was well developed (Carroll, 1999) and also because the onset of worldwide recession in the late 1970s had pushed discussion of BSR off the mainstream business agenda. One development of the time was the idea proposed by Peter Drucker that business social responsibility could be converted into economic advantage (Drucker, 1984). The 1980s was a period when empirical studies were conducted to attempt to assess if socially responsible firms enjoyed any economic advantage (Carroll, 1999). Neo-liberal ideology was in its ascendancy in the 1980s with Ronald Reagan (USA) and Margaret Thatcher (UK) gaining power. This was the era of the international sharemarket boom fuelled by the newly acquired corporate taste for expansion through takeovers and mergers. Bruce Jesson (1999) writes of that period: "Not only did the ethical standards of business collapse during the sharemarket boom, but so also did the notion that there should even be ethical standards" (p. 126). The focus of business was returned to purely economic goals and, with the maximisation of profit unchallenged as the central goal for business, social reporting was mainly concerned with maintaining legitimacy. Interest in BSR:

Only really showed any signs of returning by the mid-1990s by way of the Trojan Horse of "environmental issues" which bought social responsibility debate back within the citadel walls of corporations. As a general rule, in so far as "social responsibility" is discussed at all in the United Kingdom, the United States and Australasia, it is generally discussed either in the context of specific constituencies ... or in the much narrower concerns of "business ethics" and issues such as insider trading. (Gray et al., 1996, p. 93)

During the 1990s the failures of the neo-liberal economic reforms (Gray, 1998; Hazeldine, 2000; Jesson, 1999; Kelsey, 1993, 1995) became apparent and sparked a revival of interest in the place of business in society. Attention was again given to BSR and the practices that it spawned. Corporate Social Performance (CSP) (Davenport, 2000), business ethics (Spiller, 1999) corporate citizenship, independent auditing of environmental, ethical, and social performance (Welford, 1995; Wheeler & Sillanpää, 1997) and debate over stakeholder theory (Kelly, Kelly, & Gamble, 1997; Kerr, 1999; Weiss, 1995) have

all become part of the modern debate and discussion of BSR. This visible rise of a business conscience in New Zealand in the late 1990s can be equated with general societal concern with the state of the welfare systems in New Zealand. From the mid 1990s on there had been increasing reports of hardship for the less well off which resulted from changes to government welfare policy, like the 1991 benefit cuts and increases in state housing rentals (Kelsey, 1995), and the increasing gap between rich and poor (Kelsey, 1995; Laxon, 1999).

Gray, Owen, and Adams (1996) note that the Friedmanite pristine capitalist view of business was considered to be extreme in the 1970s but became normalised in the "me" generation of the 1980s. In early 21st century New Zealand, and elsewhere, the Friedmanite doctrine was once again being questioned and the rhetoric of BSR increasingly heard.

I. Frames for BSR

There are multiple theoretical positions possible for those who undertake BSR (see Table 1, p 37). Internationally there have been several companies who were the high profile early adopters of the idea of transparency in their accounting and explicit communication of their BSR. Organisations can claim to be authentic about their commitment to BSR and these are the organisations that demonstrate a profound ethical commitment to BSR because it is core to their organisational identity. The organisations that have demonstrated a commitment to BSR have made the concept of BSR famous. Examples often cited are the Body Shop, Ben and Jerry's ice cream, and the Patagonia clothing company (Cheney & Roper, 2005). These companies were pioneers in the communication of BSR in that they are explicitly values based companies who made BSR a part of their corporate identity. BSR has since been adopted by many companies and there is ongoing debate over the motivations of many, including these original pioneers (Entine, 1994). The oil and gas companies Royal Dutch/Shell and British Petroleum have been embroiled in controversy over their environmental and social records and have subsequently become high profile converts to BSR in an effort to regain corporate reputation. Demonstrating good intentions is not always easy, however and as Frynas (2005) points out despite the infusion of resources and cash oil companies' attempts to aid development in Nigeria were not always beneficial.

Frynas also maintains that private firms and CSR may not be the best mechanism for the delivery of developmental aid.

It is also the case that organisations may utilise BSR in a cynical manner for public relations and marketing purposes. The high profile collapse Enron, supposedly a leader in the field of BSR, reflects badly on the practice of BSR. A proper connection between the promise of CSR practice and what companies deliver is seen as essential to avoid allegations of greenwashing. In order to be seen to be serious about BSR the concepts have to be taken seriously throughout the organisation and driven from the very top (Elkington, 1998) as any mismatch in rhetoric and performance can be disastrous for a brand (Middlemiss, 2002). Using BSR for brand enhancement, if done for genuine reasons or not, raises the question of whether values and ethics should be used at all in the promotion of organisations (Husted & Allen, 2000; L'Etang, 1994; Tracey, 1996; Wulfson, 2001).

In addition there has been continuing debate over the responsibilities of Trans National Corporations (TNCs) and the role of Nation-States in a global economy (Giddens, 1994, 1998; Gray, 1998; Hutton, 1995; Luttwak, 1999). Managerial interest and discussion about how to become a good, or legitimate, corporate citizen (McIntosh, Leipziger, Jones, & Coleman, 1998; Tichy, McGill, & Clair, 1997) intensified in the wake of high profile cases like the alleged involvement of Shell Oil in the politics of Nigeria, and allegations of worker exploitation levelled against the Nike corporation (Schwartz & Gibb, 1999). Also, with the ongoing legal actions that arose from the high profile collapses of Enron and Worldcom, a discussion of business ethics has come back into vogue after a hiatus of some 20 years (Spiller, 1999, 2000) reflecting a shift in the values society and business wish to focus on.

After 14 years of the free market experiment in New Zealand the place of business in society was thrust under the spotlight in 1998 with the high profile launch of the New Zealand Businesses for Social Responsibility organisation (NZ BSR). Founder, Dick Hubbard, said in his opening remarks that, as business was glad to accept the benefits of increased privatisation, they should also be prepared to accept some of the social responsibility (Hubbard, 1998; author's notes). BSR as promoted by Hubbard has not been universally accepted. The prominent neo-

liberal business lobby group, the New Zealand Business Roundtable, was vocal in its criticism of the concept of social responsibility. In an article in the New Zealand Herald prior to the launch of the NZ BSR (1997) the executive director of the Business Roundtable, Roger Kerr, attacked the notions of both social responsibility and stakeholding. After the launch there was a further public airing of the issues through a televised debate between Dick Hubbard, Roger Kerr and neo-liberal Act Party leader, Richard Prebble. The dominance of the neo-liberal ideology in New Zealand had been so complete that debate over economic or social issues had been largely stifled (Jesson, 1999; Kelsey, 1995). In the preface to the book *The New Politics: A ThirdWay for New Zealand* (Eichbaum et al., 1999) the authors wrote : "While the reforms sought to liberalise and increase the contestability of markets, in the case of the market for ideas there has been a serious absence of any meaning to the exercise" (p. 12).

B. The New Zealand political/economic context: Key developments since 1984

Prior to the free market reforms of 1984 instigated by the Labour Government, New Zealand politicians had been generally committed to the universal application of the principle of the welfare state. After the great depression of the 1930s New Zealand, in common with most Western liberal democracies, followed an orthodox Keynesian economic policy. The Labour Government of Michael Joseph Savage was in power from 1935-1949 and oversaw the expansion of key parts of the national infrastructure like rail, communication, and banking systems. The post-war period of international rebuilding and recovery, coupled with New Zealand's close ties with Britain, saw a ready international market for primary products (Hazeldine, 2000). A sustained period of economic stability in the 1960s peaked with the onset of the Korean War and resulting demand for New Zealand wool for uniforms. Economic stability, along with forward looking social welfare policy, allowed New Zealand to achieve what was acknowledged to be one of the highest standards of living in the world. The international economy was, however, changing in structure (Dalziel, 1999; Easton, 1997; Eichbaum et al., 1999; Hazeldine, 2000; Kelsey, 1993, 1995) and when Britain joined the European Economic Community (EEC) in the late 1960s, New Zealand lost its guaranteed market for primary products. These

structural shifts in the international economy demanded changes in the primary-industry based New Zealand economic structure. While industries including forestry, manufacturing, and finance, were developed at this time the changes were not aimed at a total reconfiguration of the economy.

Between 1935 and 1984 the state was the largest employer in New Zealand (Kelsey, 1993, 1995) and full employment was a social goal. It remained a goal, both under the rule of the Labour Government from 1935 to 1949, and subsequently under a National Government. Social responsibility lay squarely with the state and the social welfare system; a system that could easily cope as in 1975 there were fewer than 3000 people officially registered as unemployed (Kelsey, 1995).

The National Party held power from 1975 to 1984 under the leadership of Robert Muldoon who attempted to protect the New Zealand economy from external shocks by maintaining it as a fully controlled economy. In an attempt to counter increasing international trade liberalisation he introduced tariffs, a Supplementary Minimum Price scheme (SMP) for farmers, tax write-offs and subsidies for industry. While in government, Muldoon also initiated the "think big" projects that were prompted by the then recent events of the 1973 oil crisis (Hazeldine, 2000). These ambitious and expensive projects consisted of major hydro and petro-chemical developments funded by overseas borrowing and intended to reduce New Zealand's dependence on imported products like oil and fertiliser. The think big projects proved to be a severe drain on the underperforming, and export dependent, capital base which ultimately lead to the economic "crisis" of 1984 (Kelsey, 1995). The attempted dislocation of the economy from exogenous influences reached its peak in 1982 when Muldoon introduced a freeze on prices, rents, and interest rates. The protectionist mentality failed to address the structural imbalance with the rest of the worlds' economies and the New Zealand economic situation continued to worsen. By 1984 the number of registered unemployed had risen to 50,000 (Kelsey, 1995). Social responsibility still lay with the state but the cost of the welfare burden had increased enormously.

1984 is widely acknowledged as a watershed in New Zealand history. In that year the Labour Party won power after a snap election called by an

increasingly embattled Muldoon. The Labour Finance Minister, Roger Douglas, and reform minded treasury officials, who would subsequently become key members of the New Right organisation, the New Zealand Business Roundtable, proceeded to initiate some of the most wide reaching social and economic reforms of any western democracy (Gray, 1998; Kelsey, 1995; Luttwak, 1999). The reforms, under the neo-liberal economic banner, were pushed through to deal with an apparent economic "crisis" inherited from the Muldoon years although the extent of the problems the country faced appear to have been overstated in order to expedite the economic and social reform agenda (Hazeldine, 2000).

This reformist Labour Party managed to win a second term in office in 1987 despite electoral misgivings about the rapidity and direction of change (Kelsey, 1995). The structural adjustments to the economy remained grounded, at least notionally, in traditional Labour Party principles of a strong welfare state. After the 1987 election, internal divisions became apparent in the Labour Party with Sydenham MP Jim Anderton leaving the party in protest at the privatisation of the Bank of New Zealand. Anderton established the NewLabour Party (soon to become the Alliance Party) to carry on Old Labour principles (Kelsey, 1995). The National Party was voted into power in 1990 as a result of electoral dissatisfaction with the Labour Party reform programme. The assumption was that a traditionally interventionist National Party would moderate the pace of reforms. This did not prove to be the case and the neo-liberal economic agenda was continued and expanded. The neo-liberal ideology of individual responsibility drove welfare cuts introduced in 1991 and the "New Right" economic agenda was pursued with increased vigour (Kelsey, 1995).

When combined with a poorly performing economy, the introduction of a general consumption tax, and static or falling income for most New Zealanders, the effect of the 1991 welfare cuts was to push many low income families into poverty. An estimated 600,000 people, or one in six, were below an unofficial poverty line by 1993. Kelsey (1995) writes of that time:

The first conference of Auckland food banks in September 1994 warned the government that it would not continue to prop up policies which created poverty. It called for benefits to be restored to pre-1991 levels, abandoning of market housing rentals, better benefit administration, easing of benefit stand-downs, and more support for psychiatric patients in the

community. A formal complaint was laid with the Human Rights Commission that the government was contravening human rights guarantees to food, clothing, housing and medical care for all. (pp. 292-3)

There was a brief economic upturn in 1994-95, heralded by the New Right as the beginning of a sustainable economic recovery. Their predictions, however, proved inaccurate and the economy continued to stagnate until finally going into negative growth in 1998 (Kelsey, 1999).

Another important event for New Zealand politics was the 1996 election because it was the first time elections were held under the new Mixed Member Proportional (MMP) voting system. The MMP system was introduced, subsequent to a referendum held in 1993, despite wide reaching and well orchestrated opposition from prominent neo-liberal businessmen (Roper & Leitch, 1995). The 1993 referendum was held in response to electoral perceptions of poor behaviour and lack of accountability by politicians. In the 1996 election, the conservative National Party did not gain sufficient votes to govern in its own right and thus formed a coalition government with the populist New Zealand First Party. The 1996 government could have been formed by a coalition between New Zealand First and either of the two main parties. It was, in fact, widely believed even by those within New Zealand First, that they would form a government with the Labour Party because New Zealand First leader, Winston Peters, had publicly and emphatically stated that he would not work with the National Party (Kelsey, 1995).

Another political party that gained ground during this time was The Alliance Party under the leadership of former Labour Party Member of Parliament, Jim Anderton. The Alliance remained committed to traditional Labour Party principles that focused on a politics of equality and social justice, including worker and minority rights (Kelsey, 1995). Despite differences that occurred in the past, the Alliance and Labour, under the leadership and new direction of Helen Clark, were natural running mates for the lead up to the 1999 elections. Their solidarity and obvious vision for a more socially equitable New Zealand was attractive to voters grown tired of waiting for economic recovery that was promised under the prevailing National/neo-liberal agenda.

The 1999 election saw a Labour/Alliance coalition elected with a mandate to moderate some of the harsher policies introduced in the name of the market. One of the main pieces of legislation marked to be modified was the 1991 Employment Contracts Act (ECA) which stripped away the power of the unions by dismantling the right to collective bargaining. The resurgence of the Labour Party was tied to a widespread disillusionment with the neo-liberal ideology and a reconfiguring of the party to incorporate "ThirdWay" principles similar to those outlined by the Clinton administration. ThirdWay political thinking was also adopted by Tony Blair and has been extensively written about by his acknowledged Guru and advisor, Anthony Giddens. ThirdWay philosophy has, at its core, an acceptance of controlled capitalism. The avowed goal of ThirdWay economics and politics is participatory democracy. "The new individualism doesn't inevitably corrode authority but demands it be recast on an active or participatory basis" (Giddens, 1998, p. 66).

There are various positions identified on a scale of BSR practice usually centred on environmentalism as the model for activism. The impact of environmental movements has been to make business aware that it must take external influences into account if it wishes to maintain legitimacy.

Privatisation and globalization have therefore imposed dramatic changes on both public and private sectors and have raised issues of balance between competing interests and stakeholders. Along the spectrum of possibility lies a wide range of choices and it will fall to business to make many of those decisions. The evidence is accumulating... that public opinion is increasingly pushing those choices away from the pure free-market extreme (which never, in actuality, operates without some form of societal restraint anyway). That demand on the part of the public, the search for a proper balance, is at the heart of the call for corporate social responsibility. (Schwartz & Gibb, 1999, p. 6)

C. Organisations concerned with BSR

I. Explicit versus implicit concern for BSR

Explicit concern for BSR describes the voluntary activities undertaken by a corporation which demonstrate that they assume responsibility for aspects of the interests of society. Entities undertaking explicit BSR are motivated by stakeholder expectations of how that entity should conduct itself in society.

Implicit BSR describes an entity's legal and informal roles within the national institutions. These roles can be mandated or codes of practice but also consist of societal expectations of standards, norms and values. The expectation is that entities will legally and morally comply, along with all others in the society, with what is considered normal and acceptable behaviour within the societal value set.

The reasons for corporations demonstrating explicit or implicit concern for BSR are highlighted in the study undertaken by Matten and Moon (2008) where they conducted a comparative study between Europe and the USA of implicit versus explicit BSR. They proposed that the long tradition of explicit BSR demonstrated by USA based corporations can be explained by "The historical institutions of... national business systems" (p. 2). The differences in the national business systems are derived from the differences in the national institutional frameworks, specifically the: "political system, the financial system, the education and labor system, and the cultural system" (p. 407). Broadly speaking the differences between the political systems is that the European system relies more on the power of the state with European governments more involved in social and economic activity. In financial systems the main difference is the predominance of the stock market as the main source of finance for most US companies whereas in Europe banks play a major role. This means that in the European system there is a smaller number of investors concerned with the preservation of power and influence which subsequently leads to the increased influence of stakeholders other than shareholders. In the education and labour systems the historically higher union membership and "relatively integrated, nationwide, and hierarchical European structures" (p. 408) have contributed to more synthesised training initiatives and labour market policies. In the US the relative lack of national structures has meant that corporations have developed their own strategies for education and labour at a corporate level. As a result of historical development the cultural systems of the US and Europe differ (unsurprisingly) in the view of the place of the individual in society and the relationship between business, society, and government. Europeans rely more on their traditional structures such as "political parties, unions, employers' associations, or churches, and the state" (p. 408) while the US tradition has been more focused on the individual. The contribution of the individual to society is typified by notions of stewardship and

philanthropy enacted by the wealthy businessmen such as Carnegie and Rockefeller. While individual philanthropy continues today the idea of the obligation to "give back" has been transferred to the corporation which is legally viewed as a person (Cheney, 1992).

Matten and Moon (2008) also ask why European based companies have more recently begun to demonstrate a more explicit commitment to CSR and further, why explicit CSR is spreading globally (Clark, 2000). They point to a "new institutionalism" or the "Homogenization of institutional environments across national boundaries" (p. 10) resulting from globally standardised management practices. While the Matten and Moon study is a comparative one between the USA and Europe they speculate that their conceptual framework focusing on national business institutions can be used to explain the rise in explicit CSR in other areas including Australasia (see also Beckmann, Morsing, & Reisch, 2006).

The differences between explicit North American BSR as and implicit European BSR, where the CSR practices of organisations are affected by the nature of the national business system which are "colored by their social and political context" (Matten & Moon, 2008, p. 407) is also reflected in the goals and aims of the respective US BSR and European CSR organisations. The US BSR organisation is outward looking and member focused with the idea of member discretion in the adoption of BSR policies:

Since 1992, Business for Social Responsibility (BSR) has helped companies of all sizes and sectors to achieve success in ways that demonstrate respect for ethical values, people, communities and the environment. A leading global resource for the business community and thought leaders around the world, BSR equips its member companies with the expertise to design and implement successful, socially responsible business policies, practices and processes. As a non-profit business association, BSR is uniquely positioned to promote cross-sector collaboration in ways that contribute to the advancement of corporate social responsibility and business success.
<http://www.bsr.org/about/index.cfm>

The European CSR organisation was first conceived in 1993 as communism collapsed across central and eastern Europe and Europeans became closer neighbours with the institution of the European Single Market with the

"four freedoms' of: movement of goods, services, people and money"

http://europa.eu/abc/history/index_en.htm.

The historical influences were therefore greatly different from the US experience and that is reflected in a timeline published by the European CSR organisation (<http://www.csreurope.org/pages/en/history.html>) that identifies quite a different history and impetus for the development of the organisation.

In June 1993, President of the European Commission Jacques Delors makes an appeal to businesses' talents and solutions to address Europe's structural problems of unemployment, restructurations and social exclusion. He invites enterprises to adopt a European Declaration against Social Exclusion.

The demands of joining multiple cultures and currencies, and traditional rivalries, into a new Europe obviously impacted the thinking of the founders of the organisation that was to become the European CSR organisation. Business was asked to, and continues to, have a significant role in major policy development as Europe has changed. The organisation was not known as European CSR until 2000 and is now known as the European Alliance for CSR (since 2006). The European approach to CSR is much more closely linked to European governments and the European Commission. It fits with the European political tradition for the European CSR organisation to demonstrate implicit CSR and to have a high degree of involvement with government and civil society. The US BSR organisation equally demonstrates an explicit corporate centred approach.

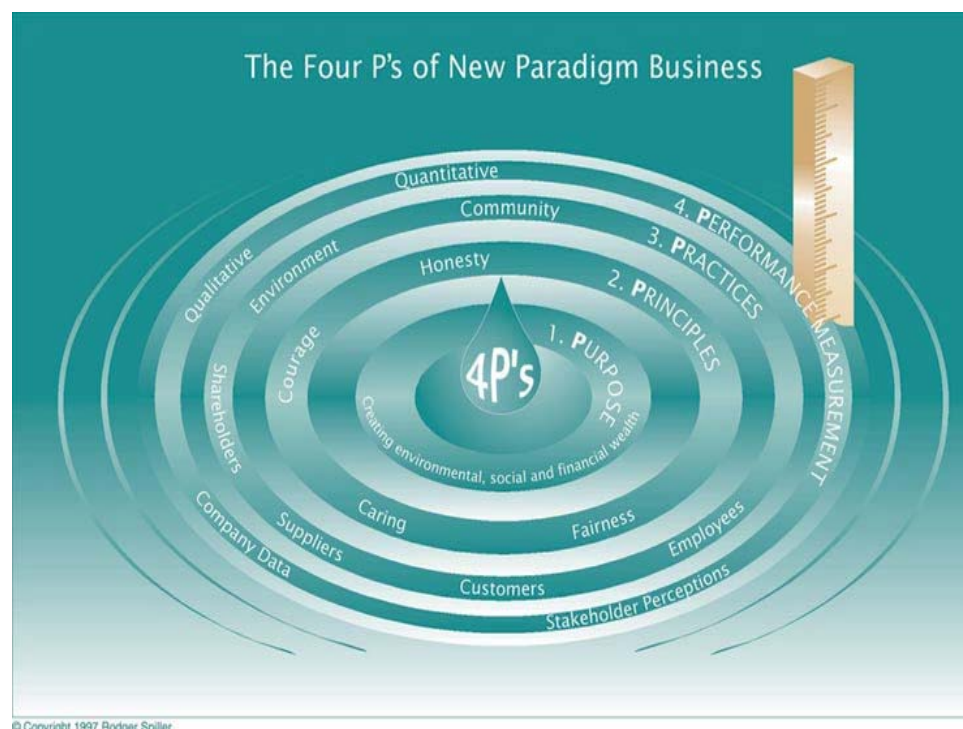
D. Overview of the NZ BSR/SBN, and NZBCSD organisations: The development of New Zealand's Business Social Responsibility and Sustainability organisations

The most influential business Social Responsibility organisation, in terms of the impact that it had, was the NZ BSR which was in turn inspired by international BSR and CSR groups; especially North American BSR experiences (Cheney & Roper, 2003). The New Zealand Businesses for Social Responsibility organisation was established with a core group of New Zealand business people; Dick Hubbard, Richard Keene, Wes Brown, Dr Rodger Spiller, and business consultant Kerry Griffiths. Dick Hubbard and Richard Keene were both owners and chief executives of food related businesses (Hubbard Foods and Marsanta

foods respectively) while Wes Brown was the chief executive of Datamail, a document handling and archive business, a part of NZ post. Rodger Spiller was managing director of Money Matters, a personal investment advisory and financial planning firm. He was also finalising his PhD in ethical and sustainable business and investment. Kerry Griffiths had just finished her Masters in Responsibility in Business Practice at the University of Bath in the UK

When established in 1998, NZ BSR membership was limited to bigger businesses in an attempt to demonstrate that they were a valid business organisation within the business world. Messages put out by the organization often centred on the work of Dr. Roger Spiller and his four P's model (see Figure 1) of social responsibility and a "doing well by doing good" formula. There was a strong focus on the Triple Bottom Line (TBL) reporting and promotion of the concept of business profitability through the adoption of BSR principles.

Figure 1. The Four P's of new paradigm business (© copyright, 1997, Dr Rodger Spiller).



From the outset, however, the NZ BSR failed to attract sufficient numbers of larger businesses, and hence revenues, to be self supporting. For the most part the organisation was underwritten by substantial contributions from Dick Hubbard

who was concerned that it was important that the organisation "did not fail" NZ BSR board minutes, June 10, 1999). There was early discussion at the board meetings of a relaxation of the membership criteria to include individuals, something that was subsequently introduced as policy. The initial steering group soon changed with the resignation of Richard Keene after only three months, officially because of "other commitments"; but in reality he had become disillusioned with the motivations of some of the group members. The composition of the board was to change several times over the life of the organisation with a total of twelve serving board members.

From the launch in 1998 to 2002 the NZ BSR was promoted primarily through the extensive speaking dates undertaken by Dick Hubbard and the expert commentary provided by Dr Rodger Spiller. Stephen Tindall, founder of The Warehouse chain of stores, and perhaps New Zealand's highest profile businessman also contributed to the public debate. He appeared on radio and television, often with Dick Hubbard, to promote and explain the concept of BSR. Tindall had been a keynote speaker at the launch of the NZ BSR and was closely identified with the NZ BSR though he never held any official position. Tindall went on to become a key founding member of the New Zealand Business Council for Sustainable Development (NZBCSD).

Also in 1998 the Auckland Environmental Network reformed and, under enthusiastic chief executive Rachel Brown, was looking to expand its membership and secure its future. Rachel Brown and Annette Lusk, then chief executive of NZ BSR, had been in close contact for some time and unofficially considered the merits of the two groups merging. A merger proposal was ultimately prepared, largely by Rachel Brown, and put to the respective boards. A decisive meeting at the offices of NZ BSR board member John Ferner ultimately convinced a formerly doubtful NZ BSR board that a merger was feasible.

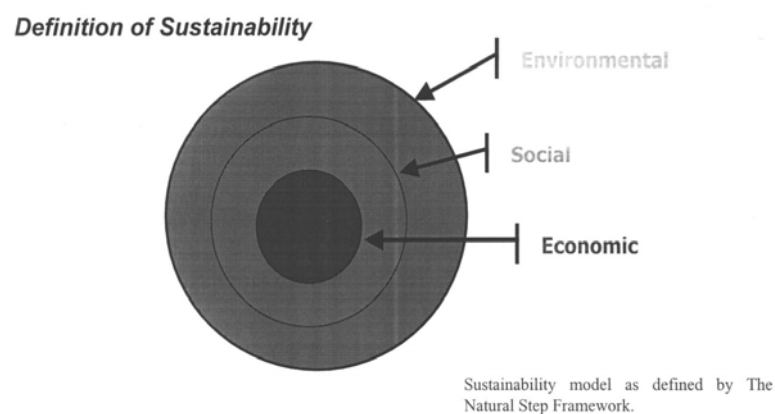
In 2002 the NZ BSR merged with the Auckland Environmental Network (AEBN) to become the Sustainable Business Network (SBN). The AEBN had its genesis as a grass roots type movement that was primarily concerned with local environmental matters and had approximately 175 members, of which 70% transferred their membership to the combined SBN organization. The AEBN had some large businesses as members but the majority of members were small to

medium enterprises (SMEs) and individuals, as well as the councils of Auckland and some satellite cities. This group had a primarily environmental focus and message and were considered by some in the NZ BSR to be too revolutionary. Rachel Brown of the AEBN also considered that they were ahead of their time in their approach. She said of that time:

When the environmental business networks re-birthed in Auckland, which was in 98, there was a discussion right then 'should we rename the environmental business network the sustainable business network' but in those days it was too early, people didn't get it, so we had to wait until people got it before we could start developing it. You can start something too early and discussing it and people will say it doesn't make sense. (Personal communication, March 15, 2004)

The new, combined SBN membership predominantly consists of small to medium enterprises and individuals and the orientation of the group reflects many of the stated goals of the AEBN. The AEBN stated: "The goal of the ... AEBN, is to assist business on the journey to environmental improvement — principally through information, training and support." This can be compared with the stated aims of the SBN: "SBN is a forum for businesses that are interested in sustainable development practice to get together and make it happen." With a strong focus on cleaner production methods, less waste, vehicle emissions reduction and business profitability through being good environmental citizens, the agenda of the SBN appears to be dominated by the characteristic messages of the AEBN.

Figure 2. SBN/TNS model. (Source: Proposal for the establishment of the Businesses for Social and Environmental Responsibility (BSEER) 2001).

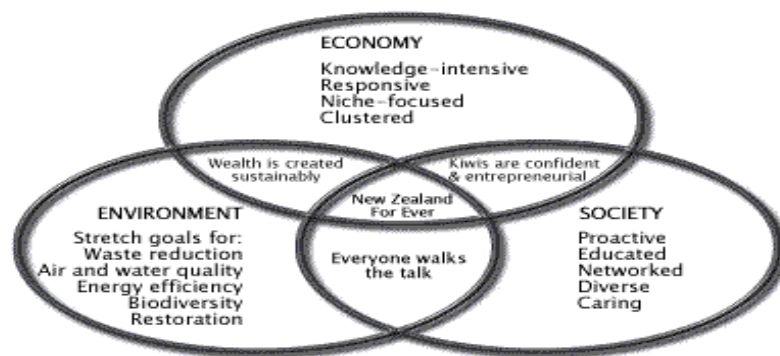


The SBN model of sustainable business followed The Natural Step (TNS) framework which places the social and economic as concentric circles within the circle of the environment as an overarching concern (see Figure 2 above, p. 30). The rationale is that without the health of the environment the social and economic are non-issues; in the words of Rachel Brown the ex director of SBN, without the environment "we are screwed anyway" (personal communication, March 15, 2004). This view of the role of sustainability is a different model from the New Zealand Business Council for Sustainable Development, which makes the three pillars of sustainability, social, economic, and environmental all of equal value but overlapping.

Figure 3. NZBCSD initial sustainability model. (Source: Leadership forum, NZBCSD Website).



Figure 4. NZBCSD current sustainability model. (Source NZBCSD website).



Currently there is no business network in New Zealand that stands specifically for social responsibility, but the sustainability organisations ostensibly include social responsibility as one of the functions of their organisations.

The powerful, but less controversial, New Zealand Business Council for Sustainable Development (NZBCSD) was formed in 1999. The NZBCSD is the most influential of the sustainability organizations as membership is by invitation

only and consists of forty three companies including the largest company in NZ (Fonterra) and the largest NZ listed company (Telecom). The mission statement of the NZBCSD reads: "To provide business leadership as a catalyst for change toward sustainable development, and to promote eco-efficiency, innovation and responsible entrepreneurship." Their aims and strategic directions are: "Business leadership—to be the leading business advocate on issues connected with sustainable development." The NZBCSD is, therefore, firmly positioned as the voice of larger businesses in NZ, with one of their objectives being to influence national policy development on sustainable development. The focus for this study is on the NZ BSR organisation and its transformation into the SBN with discussion of the NZBCSD as representative of different worldviews that will illustrate my points. Discourse participants may be making compromises over what they consider to be the root definition of the words *Business Social Responsibility* and *Sustainability* in the spirit of interorganisational accommodation. It is important to consider the differing versions of these terms and to do so in a discursive sense whereby we consider the discourses as constitutive of social practice. The NZ BSR, NZBCSD and the SBN have arisen from different motivations and have distinctly identifiable world views.

Summary

In this chapter the history of BSR movement has been discussed followed by possible reasons for engagement with the concept. Key developments in the New Zealand political and economic context since 1984 were also considered followed by a discussion of organisations concerned with BSR and a brief description of implicit versus explicit BSR. Finally there was an overview of the NZ BSR and SBN organisations and a discussion of the development of New Zealand's Business Social Responsibility and sustainability organisations.

In the next chapter literature relevant to the study covering the interrelationships of business and society; relationships between internal and external organisational communication and interorganisational communication will be reviewed followed by the primary and secondary research questions.

Chapter Three

Literature Review and Relevant Theoretical Perspectives

Outline of chapter

In the last chapter the background and research context of the study were covered. In this chapter literature relevant to the study is reviewed along with important theoretical perspectives. The chapter opens with an overview of BSR in New Zealand in terms of why BSR came on to the business agenda and why it has been contested. Following that there is an outline of neo-liberalism and its relevance in the New Zealand context. Next, BSR is considered paying attention to the corporate image function of BSR. The social accounting aspect of BSR is commented on and one of the key developments of the social accounting approach, which is the concept of the Triple Bottom Line (TBL) report. Following the discussion of BSR, the associated concepts of sustainability and ecological modernisation are reviewed. Next up is the ideas of ThirdWay politics and stakeholder theories, both of which are relevant to New Zealand political thinking during the period of the study. The focus is then turned on organisational communication at the organisation level and the relationship between internal and external organisational communication with emphasis on public relations, identity, and issue management. Interorganisational communication is then considered with some relevant studies of business and professional associations, coalitions and alliances, the functioning of business and professional associations, and the emergence of informal communication networks. Finally, the primary and secondary research questions are restated.

Overview

Internationally, concepts of business social responsibility have been part of management and business literature since the 1960s. New Zealand also had advocates of business social responsibility in the 1960s and 70s but it wasn't until the NZ BSR was formed in 1998 that the debate over the role of business in society was aired in any major public forum. The political and social context had

shifted with the dominance of the neo-liberal free market agenda which meant a transfer of power to business who could now influence government social and economic policy in significant ways. This transfer of power, and in particular, the challenges to the transfer, meant that the debate over the reconfigured business/society juncture gained a new urgency and importance that did not exist in previous generations.

The original understanding of BSR was predicated on a triumvirate of values; economic, social, and environmental with attempts to make them of equal value. By 2002 the notion of sustainability had become the dominant focus of the values based New Zealand business organisations as it was central to the new organisation, the Sustainable Business Network (SBN) and at the heart of the language that dominated discussion of the business/society interface.

Internationally, the concepts of BSR and sustainability, in its various forms, have emerged as central to the self-definition and public image of many companies (Fombrun, 1996; Schwartz & Gibb, 1999; Wheeler & Sillanpää, 1997). Along with the rise of companies and corporations adopting a socially responsible or sustainable stance there has been a parallel rise in the number of organisations established to help businesses on the 'journey' to social responsibility or sustainability (see Milne et al., 2006 for a discussion of the journey metaphor). Membership of a high profile organisation also provides the imprimatur of good intentions to help counter possible accusations of green washing.

The promotion and practice of BSR and, to a lesser degree, sustainability, are sites of ideological struggle as the relationship between business and society is debated in New Zealand. The ongoing debate needs to be seen as part of a changing social and political context. The idea of what constitutes social responsibility or sustainability, and indeed what segments of society *have* social responsibilities, are issues that have been discussed most urgently over the last fifteen years of New Zealand's history. Prior to 1984 the state was the prime source of social organisation in New Zealand and any idea of social responsibility automatically fell within the ambit of the welfare state. After 1984 the most recent focus for debate over the concept of social responsibility occurred with the launch of the New Zealand Businesses for Social Responsibility (NZ BSR) organisation in 1998. Other organisations to promote ethical (Spiller, 1999) and sustainable

business practices (<http://www.nzbcsc.org.nz>) have also been formed in New Zealand.


Proponents of BSR argue that the increasing dominance of business in society brings with it a reciprocal social responsibility (Buxton, 2000; McIntosh et al., 1998; Spiller, 1999, 2000; Tichy et al., 1997). Attempts to specify the requirements and shape of that responsibility vary, with most attempting to offer some framework for the measurement of social and environmental performance either through standards (Davenport, 2000; McIntosh et al., 1998), or as an additional form of social accounting and accountability (Elkington, 1987; Elkington, 1999a; Elkington, 1999b, 1999c; Estes, 1996; Gray et al., 1996) which is substantiated by external environmental and social audits (Wheeler & Sillanpää, 1997). BSR also has a continuum of approaches (see Figure 5, p37, below). Academics Gray, Owen, and Adams (1996) choose to offer BSR frameworks as a way of working within the capitalist system in order to change it. New Zealand BSR campaigner, Dick Hubbard, has also questioned the concepts of "legal" and "moral" ownership through the lens of stakeholder theory (<http://www.nznine.co.nz>) (see p. 47 for further discussion of stakeholder theory). Common to most proponents of BSR, and the rationale most attractive at the soft end of the continuum is the idea that a company can "do well by doing good" (Spiller, 1999). The linkage of financial advantage to BSR or sustainability is the most obvious and popular justification for undertaking either.

Those who question the value of a BSR movement generally do so from a neo-liberal point of view. The neo-liberal understanding of the social order is that society and business can, and should be self-regulating. Market forces will, theoretically, provide the necessary balancing mechanism for control in society, including the use of resources and the regulation of the labour market. Any restrictions on the "frictionless machines" (Giddens, 1994, p. 41) of the markets introduce distortions that restrict the functioning of the market. To suggest that business has a moral obligation to be socially responsible is thus rejected by free market theorists as the market is considered to be amoral. Further, any societal or state demand for social responsibility through legislation or regulation is to be resisted, as it would place an imposition on the working of the free market.

Organisations can, however, choose to engage in socially responsible behaviour and activities when it fits with the business objectives of the organisation (Kerr, 1999) and it can therefore be considered as advertising (Gray et al., 1996). On this basis it is possible for a company or organisation to have significant social responsibility programmes. Also, the promotion of social responsibility is often used as a tool for dealing with societal perceptions of the "legitimacy" (Gray et al., 1996) of an organisation or for enhancing an organisation's reputation for commercial reasons (Fombrun, 1996).

Table 1. A Continuum of Viewpoints on Business Social Responsibility
(adapted from Gray et al., 1996).

Deep Ecologist	Radical Feminist	Social Ecologist	Socialist	Social Contract	Expedient	Pristine Capitalist
Exploitation of other species & environment is unacceptable. Radical structural adjustment required.	Ways of thinking about the environment flawed. Radical structural adjustment required.	Systems of production & consumption require radical structural adjustment.	Accountability required. Economic system has faults that require attention.	Organisations exist at the will of society. Accept a degree of accountability.	Enlightened self-interest. BSR only desirable if it serves organisational interests.	Amorality of markets. Only obligation of business is to maximise profits for shareholders.



A. Interrelationships of business and society: Theories and practical perspectives on "social economics. "

I. Neo-Liberalism

In New Zealand two individuals, Dick Hubbard and Roger Kerr dominated the debate over the relevance of the concept of Business Social Responsibility. As spokesmen for their respective positions they were important symbolic figureheads for what was ultimately a clash of ideas that were of great consequence to the New Zealand social conscience and culture. Roger Kerr, the

executive director of the New Zealand Business Roundtable, is the public face of a powerful lobby group promoting a New Right or neo-liberal economic (and by association a social and political) agenda in New Zealand (Easton, 1997). Kelsey (1999) said of Roger Kerr that he:

Maintained strong links with the policy process through his former treasury colleagues, other officials, politicians and private sector consultants. Despite an apparent decline in its influence during the late 1990s, the Roundtable has undoubtedly been the dominant external influence on the policy agenda of successive New Zealand governments since 1984.
(p. 60)

The neo-liberal ideas that Kerr worked to promote have had a major effect on New Zealand. So what do we mean when we talk about neo-liberalism? Roger Kerr himself disputes the New Right/neo-liberal classification for the NZBRT (Kerr, 1999; NZCTU., 1999). Nevertheless the classic neo-liberal doctrines of economist Milton Friedman and the Mont Pelerin Society formed by Friedrich Hayek have been very influential in the development of the New Zealand version of neo-liberalism. The society was sufficiently prominent in New Zealand for it to meet in Christchurch in 1989 with well-known New Zealand business people and politicians attending. The meeting was an historic one in that it was at this meeting that "Douglas delivered his 'blitzkrieg' speech on how to implement radical change" (Kelsey, 1999. p. 63)

It is important to understand the ideological stance of neo-liberalism and the effect it has had on economic and social policy. The differences between the neo-liberal approach and the divergent perspectives of the BSR movement were what brought these two groups to a head. One of the fundamental differences in the points of view is the notion of equity (Easton, 1997). The BSR concept of stakeholding clashes with the neo-liberal understanding of private property rights which are central to neo-liberal economic rationalism (Dryzek, 1997).

The doctrine of (neo) liberalism, as outlined by the Mont Pelerin Society on their website (<http://www.montpelerin.org/aboutmps.html> retrieved 12/07/06), is defined in a footnote: "Here, "liberal" is used in its European sense, broadly epitomized by a preference for minimal and dispersed government, rather than its current American sense which indicates the opposite preference for an extension and concentration of governmental powers." The Mont Pelerin society was

founded by Professor Friedrich Hayek in 1947 and the founding members composed a statement of aims:

Briefly, the (*Mont Pelerin*) society is composed of persons who continue to see the dangers to civilized society outlined in the statement of aims. They have seen economic and political liberalism in the ascendant for a time since World War II in some countries but also its apparent decline in more recent times. Though not necessarily sharing a common interpretation, either of the causes or consequences, they see danger in the expansion of government, not least in state welfare, in the power of trade unions and business monopoly, and in the continuing threat of inflation. (p. 3)

The notions of individual freedoms, small government, the breaking down of the welfare state and trade union power were all top priorities for the incoming 1984 Labour government and the policies driven by 'Rogernomics'. Perhaps not so successful were attacks on business monopolies. The monopolies were broken in the letter of the law but some would say that power was simply shifted from one monopoly group to another. Control of telecommunications, for example, was vested in NZ post, a government department, but under the partially privatised Telecom the monopoly situation is perceived as continuing (Braddell, 1999).

The 'continuing threat of inflation' has been addressed by the Reserve Bank Act (1989) which requires the governor of the reserve bank to keep inflation within a 0 to 2% target -later amended to 3% when the 2% cap was breached. The wisdom of inflation targeting is rarely questioned in NZ despite the opinion of economists Paul Krugman (Kelsey, 1999) that inflation is not overly costly to an economy even when it reaches 10%, and Joseph Stiglitz (Kelsey, 1999) former head of the World Bank, who said that inflation is not a problem until it exceeds 40%. Discussion from the USA concerning inflation targeting shows that there is no consensus that it is an appropriate economic policy tool (Gramlich, 2005).

The New Zealand Experiment as it has been called (Kelsey, 1995), referring to the economic reforms initiated by the 1984 Labour government, can be seen as unique in the world in terms of the attempted structural readjustment of a national economy. Neo-liberal doctrines are also usually connected with what is known as the Washington Consensus, a term coined by economist John Williamson, a senior fellow at the Institute for International Economics in Washington. In his paper *A Short History of the Washington Consensus* (2004)

Williamson outlines the basis of what the Washington Consensus was. First, the Washington Consensus was a collection of ten "policy instruments about whose proper deployment Washington can muster a reasonable degree of consensus" (Williamson, 2004, p. 2). He then goes on to outline who the actors were that constituted the Washington consensus which were: "both the political congress of Washington and senior members of the administration and the technocratic Washington of the international financial institutions, the economic agencies of the U.S. government, the Federal Reserve Board, and the think tanks" (p. 2) and the ten original reforms that were put forward. The detail of the list is not germane to this study and so will not be addressed here, but there are considerable overlaps with the reforms suggested by the Washington Consensus and the neo-liberal ideas of the Mont Pelerin society, namely; trade liberalization, fiscal discipline, privatization, deregulation and property rights. What is of interest, though, is that Williamson rejects the neo-liberal classification for his own position. In a footnote he says:

I use the word "neoliberalism" in its original sense, to refer to the doctrines espoused by the Mont Pelerin society. If there is another definition, I would love to hear what it is so I can decide whether neoliberalism is more than an intellectual swear word. (p. 2)

In a speech to the ACT Wellington regional meeting (2002b) Roger Kerr, the Executive Director of the New Zealand Business Roundtable, queries the use of the term 'neo' preferring plain 'liberal' instead which accords with the Mont Pelerin definition. Explication of the differing definitions of the term can be found in the *Penguin Dictionary of Philosophy* (Mautner, 1997) definition of 'liberalism':

In contemporary usage in the United States 'liberalism' and its cognates are frequently used for political views which favour an increased scope for state action in areas such as education, health care, and social welfare. This is a consequence of the liberal principle that the protection of individuals' rights is an essential function of government, in combination with an increase in the number of goods and services that are thought of as rights, and an increase in the number of ills and impositions (poverty, illness, negative discrimination, lack of education) that have come to be regarded as a violation of rights. (p. 316)

The definition goes on to note that a shift in the meaning of 'liberalism' had been identified by Herbert Spencer in his book *The Man Versus the State*

(1884). Similarly the Fontana Dictionary of Modern Thought (Bullock, Stallybrass, & Trombley, 1988) while describing the concept as an "American hybrid of uncertain character", the term is attributed to Charles Peters, editor of the *Washington Monthly* who used it to describe the intellectual and political ideas developed in the latter half of the 1970s. The entry goes on to say: "Neo-liberalism rejects some of the orthodoxies which characterized American liberalism in its New Deal and Great Society phases" (Bullock et al., 1988, p. 568). There is therefore good reason to prefix 'neo' to 'liberalism to describe a "(substantial) reassertion of classical liberalism" (Marshall, 1994, p. 445). The unrestrained functioning of private enterprise, inflation reduction, and minimal government interference are also associated with what is known as the Chicago school of economics, or the Chicago strategy after an application of this doctrine in an attempt to restructure the Chilean economy in the 1970s (Bullock et al., 1988).

Another important aspect of neo-liberal theory is agency theory, described by Hazeldine (2000) as "a more modernist vision of self seeking individual agents operating with relentless opportunism in an environment fogged by uncertainty and private information" (p. 5). Hazeldine also referred to agency theory as the theory which suggests we will act like a "selfish shit " (1998, p. 81). This idea of "self seeking individual agents " is also referred to by L'Etang (1994) when she considers the motivation of firms undertaking CSR. L'Etang refers to Milton Friedman's understanding of when it is acceptable to use CSR as a façade:

Friedman's argument is a bit confusing. On the one hand he argues that actions done in the long term interest of the company should not be rationalized as corporate social responsibility but simply justified for what they are – actions which promote the company's interests. Yet he also argues that if it is in the long term interest of companies to cloak their intentions in this way to further their self-interest then that is acceptable also. (p. 119)

L'Etang goes on to consider the difference between ethical egoism (moral justification, the agent ought to be selfish) or psychological egoism (an explanation of human behaviour, the agent can't help being selfish). Agency theory is therefore central when we consider the various arguments proposed for and against CSR and sustainability. The idea that CSR only be undertaken with

the self-interest of the firm or business in mind as the motivation is still a central concern for critics of CSR and sustainability. L'Etang is also concerned about the often close relationship of the public relations function with CSR activities.

II. Social Accounting and triple bottom line

While the discipline of accounting is primarily concerned with the value of financial information, interestingly, the accounting profession has also been the main discipline to contribute to the study of the concept of social accounting. Academics in the discipline of accountancy have made important gains in the understanding of the role of social accounting and socially responsible disclosure but as critical theorist Gray, (1988) admits, the accountancy discipline may not have all the best theoretical tools to study BSR: "when the traditional intellectual baggage of accounting is hauled across to try and articulate the issues of CSR it is exposed for the flaccid paraphernalia that it is" (p. 7. See also Gray et al., 1996).

Another admitted concern for Gray, Owen, and Maunders is that their academic interest in the development of CSR is because the accountancy discipline wishes to "own" the concept of BSR. To justify this they argue that the accountancy profession should be the one to concern itself with issues of accountability, as accountants are the obvious group to accept responsibility for the development of greater accountability, and how accountancy is thought about and enacted (Gray et al., 1996).

Closely associated with the concept of BSR and sustainability is the reporting model that supports it. From the perspective of accounting and ethical business there has been a drive to find a model that allows for a different and more inclusive way of reporting business performance (Deegan, 1999a, 1999b; Elkington, 1999a; Elkington, 1999b, 1999c; Moodie, 1999; Spiller, 1999; Whittaker, 1999). This is articulated in different ways but a popular concept is the notion of the Triple bottom line. "Triple bottom line reporting" is a phrase coined by SustainAbility cofounder, John Elkington. Elkington (1999b) proposes that in order to effect sustainable development, accounting systems need to take into account not only economic prosperity, but also environmental quality, and social justice. Indeed, advocates of a Triple Bottom Line approach to company reporting (Elkington, 1998) would argue that there is a case for the development of "hard" measures to quantify social responsibility which would have equal status with

traditional financial accounting. Perhaps the most famous of the proponents of a "scorekeeping" system that does more than measure corporate economic performance is Ralph Estes. In his book *The Tyranny of the Bottom Line* (Estes, 1996). Estes proposed that:

We need a new, fair scorekeeping system, one that will send different messages to corporate managers. A scorekeeping system that simply shows the effects of a corporation's action on all its stakeholders, not merely its stockholders, and then tells managers that they will be responsible for these effects. (p. X1)

The idea that businesses can report on criteria other than financial is not new. Critical accountants query the view that accountability should only mean financial accounting. Gray et al., (1996) define accountability as: "The duty to provide an account (by no means necessarily a *financial* account) or reckoning of those actions for which one is held responsible" (p. 38). As the centrality of reputation (Fombrun & Rindova, 2000) is increasingly recognised as a source of organisational and brand wealth, the search to find criteria, other than financial, for analysing business performance has become increasingly important as Epstein (1999) notes:

Scholars and occasionally practitioners in the field are undertaking measurements of "corporate social performance," developing matrices of ethical corporate behaviour, and modelling company "stakeholder relations." Inherent within all these endeavours is recognition that "economic imperative" criteria although necessary, are hardly sufficient benchmarks for assessing comprehensively the societal performance of our major business organisations" (p. 258)

III. Sustainability and ecological modernisation

Sustainability has been offered as an essential part of the solution to environmental and social problems as it addresses global and transgenerational concerns. The most used definition appeared in the Brundtland report from the World Commission on Environment and Development (1987) chaired by Gro Harlem Brundtland, the then Prime Minister of Norway: "Humanity has the ability to make development sustainable — to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs" (p.8). While there is no one definition of what sustainability is, or how it might be achieved, the Brundtland report was a landmark document in that it

brought together in a coherent way a range of issues that had not been considered together in any methodical way (Dryzek, 1997). Dryzek lists: "development (especially of Third World countries), global environmental issues, population, peace and security, and social justice both within and across generations" (p. 126).

The development of sustainability requires incorporating environmental and social concerns into organisational operating plans. It means designing systems to reduce waste and inefficiency and incorporating those systems into the organisational culture. An example of how environmental sustainability might be achieved is through eco efficiency where an organisation includes assessments of each stage of a product or service. In the case of a washing machine (for example) the aim would be to reduce the amount of energy and material required to produce it, as well as improving the efficiency of the machine while in use, thus mitigating the impact on the environment. In an ideal scenario the machine would make minimal use of non-renewable resources and would be fully recyclable at the end of its life (Hawken, 1993; Welford, 1995). This understanding of sustainability fits closest with the green consumer ideal that is so prevalent in marketing discourse (Buchholz, 1993) but it is also important in that technological development offers solutions that enable the concept of limits to growth to be pushed further into the future or discounted.

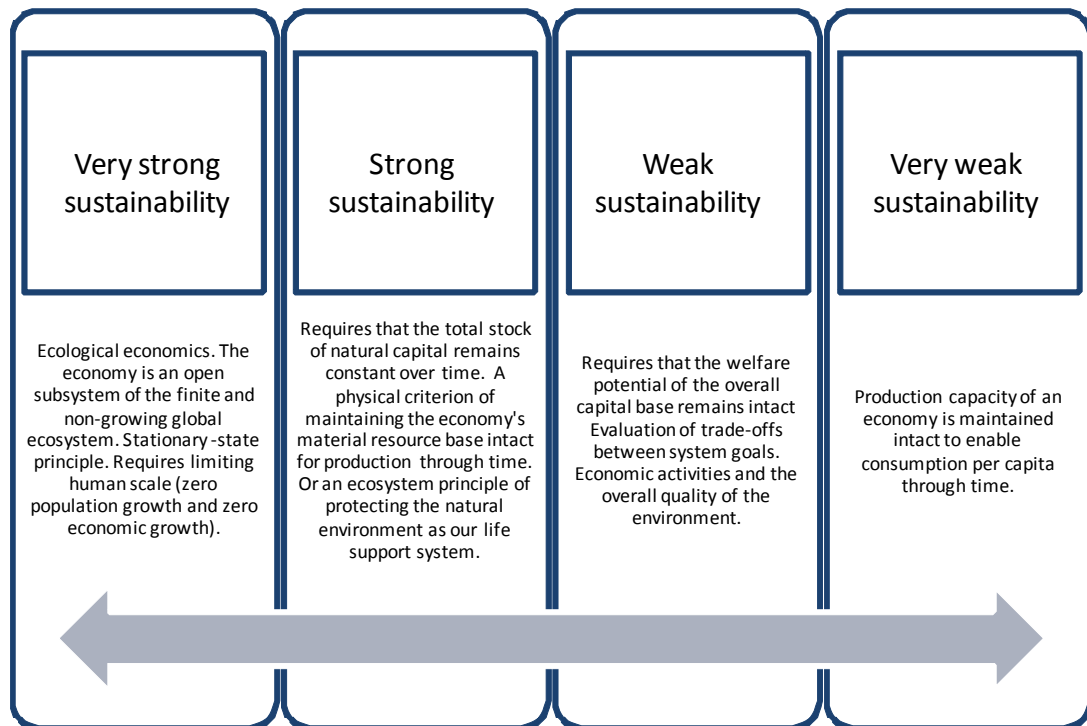
Sustainability encompasses more than eco efficiency, however, as it has a global and intergenerational perspective. Sustainability was originally used by environmentalists to discuss development, especially of Third World societies. The essential idea of sustainability is that development is necessary for impoverished societies. Economic growth is required to prevent at risk societies from degrading their own environment, but the growth must be managed since industrial expansion of the type, and on the scale of the industrialised countries is also unsustainable. Dryzek (1997) identifies sustainability as a "discourse of international society" (p. 131) where the organisations that make up international society are intergovernmental organisations like the United Nations, the World Bank and global environmental groups. More recently business has been another area of civil society that has embraced sustainability with one of the key business organisations being the World Business Council for Sustainable Development (WBCSD).

The "basic entities" identified in sustainability are "nested systems" (Dryzek, 1997, p.129), both social and biological, which cover the global to the local. Sustainability does not question the legitimacy of capitalism as the guiding social system, nor does it implicitly question the hierarchy which places humans as reliant on, but above, the natural world. The theory of sustainability and eco efficiency focus on the reduction of waste and cost operates as a bridge between the proponents of BSR, who operate on a social contract model, and those espousing a more pristine capitalist view of the function of business. This bridging function is important to keep the central concerns of BSR in focus as the rhetoric of BSR is increasingly co-opted by marketing.

Even though it is an accepted principle, Hawken (1993) describes sustainability as the "dirty secret" of environmentalism. It is difficult, if not impossible, to measure levels of sustainability. There are subsequently differences of opinion as to what constitutes a sustainable level of activity for any particular industry. The most common understanding of sustainability is of a weak sustainability that tends to push any idea of limits to growth into the background as the emphasis is on sustainable development, rather than limiting development in order to become sustainable.

The concept of sustainability is therefore a slippery one as there is a continuum of understandings of what 'sustainability' is (Allen, 2004; Dryzek, 1997). In order to understand which meaning of sustainability is being employed the context in which the term is being used must be considered.

**Table 2. A Continuum of Viewpoints on Sustainability
(Adapted from Hediger, 1999).**



Gray, Owen, and Adams, (1996) describe sustainability as important for two major reasons:

First, it brings firmly onto the political and business agendas of the world that present ways of doing things do, indeed have "externalities"; and secondly, it is an almost universally accepted principle. This does mean that members representing virtually the whole spectrum of views ... can, to a degree at least, debate matters around a single concept with which they are all, in principle at least, in agreement. (p. 61)

As Gray et al. (1996) point out, it is essentially a social concept (see also Dryzek, 1997) as it raises questions about resource utilisation and distribution both intra and intergenerationally. The social aspect of sustainability springs from the core concern of environmentalism, which is a different driver from the debate over the relationship between business and society inherent in BSR. Sustainability is therefore a central, but problematic and value laden concept, in the understanding of BSR. With the merging of the NZ BSR with the AEBN sustainability has become the major orienting principle, or label, of the BSR movement in NZ.

A variant on sustainability is the concept of *ecological modernisation* (Dryzek, 1997; Hajer, 1995). The primary focus is on how businesses, governments and environmentalists could work together to reshape the capitalist political economy with the environment in mind. It is fundamentally a systems based approach which can only be successful if all players in the political/ industrial system participate. An important component of ecological modernisation is that it links profitability and environmentalism through the idea that pollution represents waste and therefore waste represents a cost to the organisation. This can be either as an inefficient use of resources or in the requirement for remedial action in the form of cleanup or disposal of waste. In its weak form ecological modernisation has a technological slant but Dryzek (1997) sees the possibility of a radical ecological modernisation which goes beyond the techno-corporatist model. Ecological modernisation would mean a more democratic system where development is not dictated by governments and technocrats but all of society has an input with the central goal of ecological sensitivity.

IV. "ThirdWay" politics and stakeholder theories

BSR can be understood as both a response to prevailing social norms as well as, theoretically, contributing to fundamental change (Gray et al., 1996). With the election to power in New Zealand in 1999 of the Labour-led, centre left, coalition there has been a political shift to an emphasis on a more participatory democracy, as well as the introduction to government of a strong environmental lobby in the form of the Green Party. Though not a part of the government coalition, the Green Party had significant influence through their support for the politically centre left Labour/Alliance coalition. The New Zealand Labour Party has adopted and implemented the ThirdWay political philosophy developed by the Clinton and Blair administrations.

In her first post budget speech as Prime Minister, Helen Clark said: "This makes ours a classic ThirdWay government-committed to a market economy, but not to a market society. New Zealand is, after all, a nation, not just an economy" ([http://www: labour.org.nz](http://www.labour.org.nz)). The political attractiveness of the ThirdWay approach became apparent in 1996, when Labour very nearly gained power in

New Zealand, and was confirmed with the election of the Labour-led coalition in 1999. Some of the central themes of the ThirdWay approach are equality, inclusion, and participation which are values that are very closely aligned with the ideals behind the theory and practice of BSR. The acceptance of a social role for business appears to be in accord with the political and economic world view supplied by modern ThirdWay politics which accepts the market efficiencies of capitalism, but proposes that the state has an important role to play in the smooth running of markets as well as providing political leadership.

An important concept for ThirdWay politics is the concept of stakeholding as it is a way of describing the interrelationships between business and society. Stakeholding is a concept that has variants according to the worldview adopted. The organisation centred view of stakeholding describes stakeholders as different groups that impact on the organisation and the responsibility and accountability to these stakeholders is identified by the organisation. The responsibility model of stakeholding is defined as: "any human agency that can be influenced by, or can itself influence, the activities of the organisation in question" (Gray et al., 1996, p. 45). The dominant mode of understanding of stakeholders is the organisation centred approach as the concept of stakeholders is used by management to identify those individuals or groups who can have an impact on the organisation. Under this model stakeholders can be further defined according to the influence they can bring to bear on the organisation and are thus divided into primary or secondary stakeholders and so on. The second variant of stakeholding places the responsibility for the definition of the stakeholders not with organisations but with society, as society decides what responsibilities the organisation may have.

These obviously different perspectives on stakeholding have become the subject of debate with the popularising of the concept of stakeholder capitalism by Will Hutton (1997) who uses the term to describe the concept of inclusion which is central to ThirdWay thinking:

What underpins the fundamental ideas of stakeholding is that social and economic inclusion, rather than equality, should be the overriding objective for the contemporary left. Inclusion implies membership; you cannot be included if you are not a member. But membership entails obligation as well as rights. So a stakeholder society and a stakeholder economy exist where there is a mutuality of rights and obligations constructed around the notion of economic and social inclusion. What Stakeholder

capitalism does is to apply those principles to the operation of free market capitalism and by doing so places limits on the operation of unfettered markets. (p. 3)

What Hutton's definition of stakeholding does is move the concept of stakeholding from being organisation centred to a political economic perspective. In addition Hutton (1997, 2000) questions the right of shareholders to have paramount rights in an organisation over other stakeholders. McIntosh, Leipziger, and Jones (1998) describe stakeholding as "people or organizations that have an impact on, or are impacted on, by the company" (p. 289). They go on to say:

There is also a debate as to the true meaning of stakeholding: does it mean that any company has a wide range of key relationships or that these key relationships have a stake in the company? They certainly have a stake in its financial, social and environmental performance; whether they have an ownership stake is a matter of great debate. (p. 289)

Because of the debate over the term "stakeholder," the definition depends on your worldview. There are those who say that the concept is so unspecified as to be useless (Kerr, 1999; Weiss, 1995; Willetts, 1997). Part of the tension for organisations is that the term stakeholding has been a mainstream management term since the publication of Freeman's *Strategic Management: A Stakeholder Approach* (Freeman, 1984). Donaldson and Preston (1995) observe that despite the apparent unity of understanding within the scholarship of management and organisations the concepts of stakeholder and stakeholder management are used in a variety of ways.

Stakeholding, as it is understood in the political economic sense, has been a part of the European political tradition for some time. In 1996 British New Labour leader, Tony Blair, made a speech with German chancellor, Gerhard Schröder, in which he advocated the adoption of a stakeholder society in Great Britain along the lines of German use of the concept. The German model of stakeholding has traditionally involved a much greater degree of employee consultation and involvement in the affairs of companies (Kelly et al., 1997). Concepts of stakeholding were identified as central to UK Labour Party thinking and it was anticipated that some sort of stakeholder philosophy would be included as Party policy. That did not subsequently prove to be the case but stakeholding remains central to ThirdWay political theory.

Stakeholding theory can also be informed by Ulrich Beck's fifth thesis of risk:

(5) Socially recognized risks, as appears clearly in the discussion of forest destruction, contain a peculiar political explosive: what was until now considered *unpolitical becomes political – the elimination of the causes in the industrialization process itself*. Suddenly the public and politics extend their rule into the private sphere of plant management – into product planning and technical equipment. What is at stake in the public dispute over the definition of risks is revealed here in an exemplary fashion: not just secondary health problems for nature and mankind, but the *social, economic and political consequences of these side effects* – collapsing markets, devaluation of capital, bureaucratic checks on plant decisions, the opening of new markets, mammoth costs, legal proceedings and loss of face. In smaller or larger increments – a smog alarm, a toxic spill, etc. – what thus emerges in risk society is the *political potential of catastrophes*. Averting and managing these can include a *reorganization of power and authority*. Risk society is a catastrophic society. In it the exceptional condition threatens to become the norm. (Beck, 1992, p. 24)

Although the concept of risk is not specifically tied to stakeholder theory it does obviously impinge upon it because it helps explain what is happening in contemporary society and why different groups feel as though they have an interest and a stake in different organisations in modern society. Indeed Beck argues that in the newly emerging risk society everybody is in peril from toxic waste, nuclear power, chemical pollution and biotechnology. Modern dangers easily transcend national boundaries and necessitate a new form of politics focused on risk rather than the politics of class which dominated industrial society. It is no longer possible to fully exclude society from decisions which impact on the environment when the effects of disaster can impact on multiple communities and across generations.

The concerns attendant on the risk society go beyond any conceptions of a class struggle and rights of ownership and control (in the classical Marxist sense) and offer a powerful argument as to why stakeholder theory should not be dismissed as mere socialism, as neo-liberal commentators tend to do (Henderson, 2001a; Kerr, 1999). As the public - who may be directly affected by the physical environment of the plant through discharges, noise or availability (or lack) of employment — wish to know that proper controls and safeguards are in place for industrial production (for example), a manufacturing plant is also dependent on

the public image they have and the legitimacy — the warrant to operate that is conferred on them by the public (Beloe, Elkington, & Thorp, 2006). The warrant to operate begins with the shareholders and financiers, who wish to know what liabilities the business may face in the form of increased insurance premiums or remedial action and extends into the community in which it operates.

B. Relationships between internal and external organisational communication

I. Corporate image function of BSR

The corporate image function of BSR has its roots in the philanthropy of the large corporations of the early 1900s. The comparatively unregulated commercial environment at the turn of the century meant that corporations had become too powerful and guilty of monopolistic and sometimes anti-social behaviour. Anti monopoly, consumer protection, and banking regulation subsequently curbed the worst excesses of the corporations (Wulfson, 2001) but the need remained to restore their tarnished corporate images which they did to some degree by charitable giving. Individual philanthropy was typified by wealthy men like Andrew Carnegie who made large charitable donations and became well known through his philanthropic efforts. Carnegie had a view of wealth, which he outlined in his book *The Gospel of Wealth* (1901), which differed from most of his contemporaries. Carnegie believed it was the responsibility of the wealthy individual, after providing moderately for the needs of his own family, to hold surplus wealth in trust for the betterment of society as a whole. At the outset there was a division between those who believed that philanthropy was an implicit responsibility that came with wealth and others who felt that the only responsibility of business was to create wealth. This difference of opinion was later legally tested in the New Jersey Supreme court in 1953 when the A.P Smith manufacturing company was cleared to donate \$1,500 dollars to Princeton University despite stockholder complaints (Cochran, 2007; Wulfson, 2001). Needless to say, the New Jersey legal resolution did not definitively settle the debate.

The transition of philanthropy, which was originally premised on altruistic motives, to strategic purposes (Campbell & Slack, 2007; Saia, Carroll, &

Buchholtz, 2003) occurred when Porter and Kramer (2002) published an article in the *Harvard Business Review* pointing out that social investments often have economic returns (Cochran, 2007) and vice versa. They also identified that firms benefited the most from social investments they made in areas where they had expertise. Porter and Kramer distinguish strategic philanthropy from cause related marketing (CRM) though not all researchers do (Varadarajan & Menon, 2008). For Porter and Kramer strategic philanthropy is giving that "addresses important social and economic goals simultaneously, targeting areas of competitive context where the company and society both benefit from because the firm brings unique assets and expertise" (p. 6). With CRM, the emphasis is on publicity for the firm. Altruistic philanthropy remains alive and well, however, because in 1997 Ted Turner of CNN announced his one billion dollar donation to the UN, then the largest charitable donation in history. Other major charitable contributions have followed with wealthy individuals donating through charitable trusts like the Bill and Melinda Gates Foundation, which will also benefit from the wealth of Warren Buffet. The rise of the modern philanthropist may have some parallels with the turn of the century in that the level of corporate power was again being criticised near the turn of this century (Reich, 2001). Philanthropy is an important part, but only a part of BSR. Carroll's (1991) pyramid of CSR places philanthropic responsibilities on the top with ethical and legal responsibilities respectively below and economic responsibilities forming the base.

The corporate image function of BSR differs from philanthropy as the practice of BSR has emerged as central to the self-definition and public image of many organisations. For well-known organisations, like The Body Shop and Ben and Jerry's, *social* responsibility is a point of differentiation that can be utilised for marketing and public relations purposes. In order to explore the concept of BSR it is useful to consider the extreme positions that define the parameters. On the one hand there is the neo-liberal pristine capitalist belief that the only requirement of business is to maximise profits. On the other hand, there is the deep ecology view, usually associated with variants of socialism, which is that any BSR functioning within a capitalist framework merely serves to legitimise the capitalist tendency towards expansion. Deep ecologists maintain that a fundamental change in the system is required (Gray et al., 1996; Welford & Starkey, 2001) and it is the

expansionary nature of capitalism itself that is at the root of environmental problems. The positions adopted by most of those who practice, or claim to practice BSR, fall between these two extremes and varies from those who maintain that business does have a responsibility to society (Gray et al., 1995; Gray et al., 1998; Wheeler & Sillanpää, 1997) to those who take the view that adopting a socially responsible approach is necessary to maintain organisational legitimacy (Fombrun, 1996). The driving force behind most understanding and practice of BSR is enlightened self-interest or "doing well by doing good" (Spiller, 1999). The credo is that of the win-win situation whereby society and the environment benefit from corporate largesse and increased responsibility, and the corporation benefits from an enhanced reputation. The market value of reputation is well recognised (Fombrun, 1996; McIntosh et al., 1998; Miles & Govin, 2000). The value of organisational reputation, along with the increased focus on the importance of BSR, has led to concepts of social responsibility becoming central to marketing through the development of techniques in the vein of cause related marketing (Pringle & Thompson, 1999). This less controversial, and more widely promoted, image function of BSR is increasingly generated from within popular "best" management practices.

To be socially responsible can mean different things to different organisations. If we wish to understand how companies perceive their social role we need to explore their official rhetoric. Deetz (1992) and Cheney and Christensen (2001) have pointed out that the modern organisation already has a central function in modern life as it serves as a source of identity, often supplanting or influencing traditional social constructions like family and community. The reach and dominance of corporate power has long been recognised and in New Zealand the expanded corporate power that resulted from privatisation of state assets (Jesson, 1999) would suggest that business does have responsibilities. The formation of business-based societies and organisations concerned with social and environmental responsibility also suggests that business considers these issues serious enough to be seen to be acting in a responsible manner.

One of the most common criticisms of BSR is that it is intended to simply create publicity for the organisation, and is therefore no more than marketing or

'green washing'; presenting the organisation as concerned with the environment when the concern is only superficial at best. It is therefore important to consider the theory and practice of public relations in relation to business social responsibility.

A famous international example of a socially responsible company is the Body Shop. The Body Shop has been lauded as a pioneer and world leader in socially responsible business practices (Wheeler & Sillanpää, 1997). The Body Shop has also attracted the attention of critics for perceived shortcomings in the execution of its stated aims. Founder Anita Roddick was proud that the firm did not have a marketing department and never spent any money on advertising (Nattermann, 2000). Most of the publicity for the Body Shop was generated by Roddick herself through high profile media events and, in light of her very public socially responsible stance, there has been some cynicism and questioning over her motivations for undertaking BSR.

Cynicism and the green washing criticism stem from the questions around motivations. The intention of public relations activity is, according to theorists, to communicate symmetrically (to hold a dialogue) with publics, audiences, and stakeholders. The communication relationship between a company or organisation and external publics has been famously defined by public relations theorist James Grunig (1992). According to Grunig communication can fall into one of four categories; the one way asymmetrical model involves organisations placing press releases and other information as if it was an objective representation of company operations. An example would be a fashion or health section of a newspaper focusing on public relations prepared information. The one way symmetrical model involves communication flows from the organisation to an external public, whereas the two-way asymmetrical model involves communication that uses research on previous communication campaigns to tailor specific messages to persuade. Finally, the two-way symmetrical approach involves information flows both ways, from organisation to publics and publics to organisation, with the idea of negotiated outcomes. The two-way symmetrical approach is offered as the preferred model by public relations theorists and is consistent with the idea of stakeholder involvement. Whether two-way symmetrical communication is possible has been questioned (Leitch & Neilson, 1997; Roper, 2005) because of

the perceived imbalances in the communication as a result of skill levels, access to media, and power. The rhetorical ideal of two-way symmetrical communication, championed by the systems approach of Grunig and Hunt (1984), and upon which scholars such as Heath (1997) build complex theories of issues management is compromised, at best, by the limited nature of the constitution of publics in public opinion. Any communicative exchange is ultimately limited to dialogue between representative samples of self-interested parties. There are numerous reasons why the relationship between an organisation and its publics is not symmetrical or mutually beneficial: "Surely symmetry and advocacy are in opposition. The only way around this tension is to argue that public relations ensures that all views are held, i.e. that the playing field is level" (L'Etang & Piezcka, 1996, p. 97).

It was long thought that the relationship between organisations and society was clear in that the organisational communication has been viewed and studied as if organisations are bounded, discrete, entities. It is now becoming obvious that organisational boundaries are permeable and the degree to which organisations are embedded in society has been recognised (Cheney, Christensen, Zorn, & Ganesh, 2004). Cheney and Christensen (2001) point out that the rise of marketing, public relations, and the associated concept of issues management and stakeholder management has made organisations more aware of the complexity of the linkage between organisations and society. This awareness has arisen because of the modern imperative that organisations react to external influences largely driven by the supposedly 'democratic' impulse of modern marketing theory. The need to react to external influences has been extended into the need to anticipate what might be of concern or importance to the various constituent stakeholders and identify what issues or societal concerns may have an impact on the way the organisation conducts itself or does business. The intricacy of the linkage between organisations and the multiple facets of engagement with the environments they inhabit is demonstrated further through the concept of auto communication (Christensen, 1997; Christensen & Cheney, 2000; Morsing, 2006). The basic premise of auto communication is that the most interested consumers of the organisational messages are the organisational members themselves and therefore the communication emanating from an organisation is designed, consciously or unconsciously, for internal as well as external receivers. Having the organisational

message (or identity) received and acknowledged by external sources validates the message for the internal organisational members. The message designers are often unaware of the powerful auto-communicative function of their message. The concept of auto communication is especially important when we consider the role of CSR/BSR in the development of organisational reputation and identity.

Morsing (2006) argues that the external reception of the message, positive or negative, can also influence member identification or lack of identification with an organisation.

The concept of issues management is also important to the development and maintenance of organisational identity. Issues management in public relations (Heath, 1994; Heath, 1997; Wilcox, Ault, & Agee, 1997) is the early identification of issues, especially issues that affect public policy and legislation, in order to respond with a "strategic response designed to mitigate or capitalize on their consequences" (Cutlip, Center, & Broom, 1994, p. 16). A central concern is how an 'issue' is defined and who defines it in this way. Issues management and crisis management differ in that issues management is typified by a proactive as opposed to a reactive response (Cheney & Christensen, 2001; Cutlip et al., 1994; Heath, 1994).

While recognising that "Not all issues are proactively constructed," (Kuhn, 1997) or that not all interest advocacy issues are defined by organisational (selfish) self-interest (Finet, 1994), there has been increased attention paid to the differentiation between issues and crisis management. A crisis directly relates to an unforeseen or unavoidable incident that requires a reactive response. If an issue is defined by an organisation and can be identified as occurring within its own socially constructed reality then it ceases to be an 'issue' but rather an instance of auto communication (Cheney & Christensen, 2001; Christensen, 1997; Cutlip et al., 1994; Heath, 1994) or a further development in the genre of organisational communication.

The effects on democracy of the rise of corporate and organisational influence have been documented by various scholars (Cheney & Christensen, 2001; Cheney & Vibbert, 1987; Deetz, 1992). For social commentator Deetz the rise of large modern corporations has seen the concentration of power in the hands of a few. This has important implications because of the undue influence

exercised by large corporations and; at a conceptual level as noted by Weick (1979); "It follows, then, that the large and powerful organization may be a major contributor to the environment it faces". And, at a more practical and demonstrable level; "As an organization becomes larger it literally becomes more of its own environment and can hardly avoid stumbling into its own enactments" (Weick, 1979, p. 167). While the NZ BSR was a small organisation in a small country and chose to develop a New Zealand specific approach to BSR, the NZBCSD is the New Zealand branch of a global organisation which counts some of the world's largest corporations as its members. As a business organisation the symbolic value of the international connection is important for the credibility of the organisation so while the NZ BSR struggled to define what BSR was for New Zealand the NZBCSD was able to draw on the international development of sustainability as a central concern.

C. Interorganisational communication in the context of business-business networks

Network analysis has its genesis in 1940s and 50s social research (Cheney et al., 2004) which focused on simple networks and has since been used to explore networks in organisations (Brass, Galaskiewicz, Greve, & Tsai, 2004; Contractor, Wasserman, & Faust, 2006; Gulati, 1998; Monge & Contractor, 2001; Monge & Contractor, 2003; Podolny & Page, 1998; Wasserman & Galaskiewicz, 1994), geography (O'Hagan & Green, 2002). Also included in what Watts (2004) calls "*The "New" Science of Networks*" are computer science, physics, mathematics, biology, and economics. The large range of possible applications of network analysis has generated a correspondingly large literature. Even within the context of communication networks the possible applications of network analysis are many. It is important to consider business to business networks as communication network analysis is essential to map the communication links relevant to the NZ BSR as the influence of other organisations shaped both the discursive and the ideological structure of the NZ BSR. For the purposes of this study the connections between the different organisations are important but it is not the intention to conduct a comprehensive network analysis. What follows therefore is

a brief overview of network analysis with a focus on those areas considered germane to this study.

I. Overview of network analysis

Network analysis can be used to analyse social interaction and communication patterns, not only at the basic unit of communication, the dyad, but also wider communication linkages both intra and extra organisational (Heath, 1994; Monge & Contractor, 2003). Brass et al., (2004) define a network as a "set of nodes and the set of ties representing some relationship, or lack of relationship between the nodes" (p. 795). The nodes or actors can be persons, teams, whole organizations or even concepts (Borgatti & Foster, 2003). Relations are the most important aspect of network analysis because they "define the nature of the communication connections between people, groups and organizations" (Monge & Contractor, 2003, p. 30). The focus on relations can be compared to other social scientific approaches to network analysis which centre on the "attributes" of the participants in the network, whether they be individuals, groups or organisations. The focus on the relations highlights the communication flows through the network linkages (Monge & Contractor, 2003).

Networks can be analysed as to the network roles or where individuals are placed within a network. Individuals might, for example, be members of more than one group or clique. Other terms to describe network roles are: bridge, isolate, liaison, communication star, and gatekeeper. After the role of the individual is determined there are several possible dimensions of analysis at the individual level. Analysis can be conducted on centrality, connectedness, range or diversity, and accessibility.

Following the individual level there is analysis at the dyadic (person to person) level and the focal point for analysis of dyads can be strength, symmetry, direction, stability, multiplexity and openness. More than one dyad constitutes a network and the dimensions of analysis for whole networks can be size, heterogeneity, mode of communication, density, and clustering. There can be overlap between the dimensions of analysis for dyads and whole networks (Cheney et al., 2004) in that dyads can describe the relationship between two organisations (Borgatti & Foster, 2003; Cheney et al., 2004; Provan, Fish, & Sydow, 2007).

II. Interorganisational relationships

Important elements in the development of communication networks are business and professional associations. Business and professional associations have been around since the development of the guild structures in twelfth century Germany (Kieser, 1989) which were formed to represent the interests of tradesmen. The guild structures were deeply embedded in society as they sometimes had a much wider mandate — often religious or martial — than contemporary business or professional associations. Nevertheless, business and professional associations remain important power and knowledge centres for business and professional people. The role of business and professional associations is important because industry or interest groups can join together in a variety of ways for a variety of reasons. Because the NZ BSR was a new organisation attempting to develop a support base that included members, and hence financial stability, as well as expertise, it was logical that they looked to see where they could work together with other organisations to tackle projects larger or more complex than they were capable of individually. The study of emergent network organisations (Monge & Contractor, 2003) has historically distinguished between informal, naturally occurring networks and "formal, imposed, or "mandated" networks" (p. 8). The development of different types of, often non hierarchical, organisational structures (Cheney et al., 2004; Monge & Contractor, 2003) and electronic communication techniques has meant that the study of emergent networks, how networks emerge (Borgatti & Foster, 2003; Brass et al., 2004; Provan et al., 2007), and networks *as* organisations (Contractor et al., 2006), has become more relevant. Modern network organisations have been described as boundaryless in the sense that it is often difficult to tell where one organisation begins and another ends (Monge & Contractor, 2003).

There are numerous possible ways organisations can work together: joint ventures, strategic alliances, joint programming, collaborations, business groups or trade associations, temporary coalitions and relational contracts (Podolny & Page, 1998). In this case most of the interorganisational contact was informal where organisations worked together to hold conferences and events or develop theoretical and practical tools, like the sustainable development reporting guidelines that were instituted by the NZBCSD. Alliances can be strategic

(Castells, 1996; Gulati, 1998) where organisations work together for the purposes of exchanging or sharing knowledge and expertise or the co development of products. Karathanos (1994) defines a coalition as a "means-oriented alliance among groups or individuals who differ in goals" (p, 15). 'Coalition' formation can refer to inter or intra organisational contact and an important part of the study of coalitions is the identification of the dominant coalition.

Collins and Roper (2005) have commented on the strategic use of trade associations whereby businesses belonged to several different associations that were apparently contradictory in their objectives. The businesses could then band together to make collective submissions on policy affecting them utilising the different, and often contradictory advocacy approaches of the different associations they belonged to. Businesses and organisations can, and often do, belong to several business or professional associations which reflect different facets of the organisational interest and when we consider the organisations in New Zealand concerned with Business Social Responsibility and sustainability there is considerable cross membership. The different organisations had separate objectives with the NZ BSR eschewing any role in influencing policy in New Zealand in contrast to the NZBCSD, which had influencing policy formation as one of its main concerns. Research has been conducted on the ability of business associations to impact on policy (Bell, 1995; Stritch, 2007) and the associated implications for the role of associations in the functioning of democracy.

Contagion theory is one area of communication network analysis which is important for this study. Contagion theory assumes that the contact between network members "increases the likelihood that network members will develop beliefs, assumptions, and attitudes ... similar to those of others in their network" (Monge & Contractor, 2003, p. 174). Contagion theory has three main aspects. First is the idea that for those in a network, over time, equilibrium will develop whereby "everyone in the network will eventually converge in their attitudes or actions" (p. 183). The propensity to converge is balanced by the principle of reflected exclusivity where the amount of time a member of the network spends with others who are not considered to be a part of the network will influence the evaluation of another. Second is the member's threshold level where the threshold is the number of other people that must hold an opinion before the network

member comes to hold the same opinion. Third is the influence of ambiguity where "people are more vulnerable to social influence by contagion when confronted with ambiguous or novel situations" (Monge & Contractor, 2003, p. 184).

An important aspect of contagion theory for this study is interlocking directorships (Mizruchi, 1996; O'Hagan & Green, 2002) as there was cross membership between the NZ BSR and the NZBCSD at the executive and board level which may be illuminated by the theory of social capital, where social capital is a "quality created between people" (Burt, 1997). The value of the social capital is contingent on the number of others who can do the same work or function. The interlocks were one way in that NZ BSR executive members joined the NZBCSD, but there was no reciprocal membership of the NZ BSR board by executive members of the NZBCSD. The relationship between the two organisations was therefore important in a symbolic sense as the NZBCSD was established as the pre-eminent business organisation. An interesting corollary is that research on interlocking directorates in the 70s and 80s found that "interlock networks among large corporations were indicative of the cohesion within the capitalist class, which helped solidify business into an effective, and dominant, political actor (Mizruchi, 1996).

A concept associated to contagion is that of convergence where convergence is used to explain common attitudes and practices. At the organisational level the notion of organizational isomorphism is relevant where the "mechanisms generating similarity between two organisations have to do with sharing the same environments and/or recognition of each other as appropriate role models' (Borgatti & Foster, 2003).

Finally, semantic network theory is a cognitive theory that considers message content. Monge and Contractor (2001) said that the: "essential feature ... was a focus on the shared meanings that people have for message content, particularly those messages that comprise important aspects of an organization's culture, such as corporate goals, slogans, myths, and stories" (p. 471). One of the concerns of this study is to explore the development of meaning in the NZ BSR and the apparent shift in meaning of key terms.

The areas of network analysis that are most relevant to this study are the centrality of actors (Monge & Contractor, 2003), the connections they forged at the dyadic and interorganisational level, and the social capital individuals bring to the intraorganisational networks. Analysis at the interorganisational level again looks to position the NZ BSR in relation to other groups and considers how the social capital of the group translates into interorganisational ties.

D. Primary and secondary research questions

There are three major research questions that guide the main part of this study with an additional question concerned with theorising the future of BSR in New Zealand. The first question is:

1. In what way did the NZ BSR organisation contribute to the public discourse of business social responsibility?

The public discourse of BSR prior to the formation of the NZ BSR had been limited. There had been discussion of the concept in the 1970s in both management literature and in the public domain (Robertson, 1977) but the focus on the individual, which resulted from the neo-liberal reforms of the 1980s, had seen BSR sidelined as a concern. The only other group to consider concepts of social responsibility was the professional engineers group, Engineers for Social Responsibility (ESR), which was established in Wellington in 1983 and was driven largely by widespread concerns over nuclear weapons. By 1988 the social and political climate had shifted substantively and the contribution of the NZ BSR needs to be considered in context. The second question asks:

2. How and why did the discourse of business social responsibility, within and beyond this network, transform into a discourse of sustainability?

The well established and relatively stable international understanding of BSR encourages sustainability as a facet of BSR. For the NZ BSR group, in common with this international understanding of BSR, sustainability was also considered a subset. The subsequent prevalence, and eventual dominance, of the discourse of sustainability indicates there was a more profound change underway in the understanding of BSR in New Zealand that cannot be explained as a simple

terminological shift. It is therefore important to investigate how and why the transformation in the discourse occurred. The third question is:

3. To what degree did the NZ BSR organisation function as an inter-organisational network — that is, in terms of shared interests, vocabulary, and identity?

The identity of the NZ BSR was established largely a result of its stated position *vis-à-vis* other organisations. These organisations included: the New Zealand Business Roundtable (NZBR), the Environmental Business Networks, the New Zealand Business Council for Sustainable Development and ultimately, the Sustainable Business Network. The interrelationships between the groups happened on many levels and provide a way to track the NZ BSR as the discourse of BSR developed and shifted. And the final question:

4. What may be suggested or predicted about the future configuration of business-government-society relations in New Zealand?

This question is concerned with the further development of the concepts of BSR and sustainability in New Zealand. The stakeholder impetus of BSR is consistent with a broader societal concern for inclusion. The focus of sustainability in New Zealand on the other hand appears to be skewed more to an industry centred concern for eco efficiency. It is important to consider the further development of BSR and sustainability from a political economic perspective, postulate how the two approaches do and may vary, and ask what may be gained or lost if either concept dominates or recedes.

Conclusion

In this chapter literature and important theoretical perspectives relevant to the study have been covered beginning with a discussion of the interrelationships of business and society. Next was a description of the particular ideas that make up a neo-liberal world view followed by an overview of social accounting, sustainability and ecological modernisation, and ThirdWay political ideas. Section B covered the relationship between internal and external organisational communication and the corporate image function of BSR while section C considered interorganisational communication in the context of business-business

networks, including network analysis and interorganisational relationships. Finally the primary and secondary research questions were restated.

In the following chapter methodology for the study is discussed. The importance of the critical-interpretive perspective is covered first followed by relationships between discourse and society. The functional aspects of data collection are then outlined along with a description of the three levels of data analysis.

Chapter Four

Methodology and Method

Introduction

Chapter three contained a description of the relevant theoretical concerns that affect this study. This chapter outlines the epistemological underpinnings of the research along with the overall design of the study and the methods, or techniques, employed to research those ideas. Also addressed is the rationale, both theoretical and practical, for the methods of data collection and analysis.

This chapter is therefore divided into four main sections with an additional comment on the limitations of the study. In section A of this chapter the critical-interpretive perspective is considered and what the terms *critical* and *interpretive* mean for this study. In section B the relationships between discourse and society will be considered in the light of critical theory and the concepts of legitimation, hegemony, and Foucaultian perspectives on discourse and power as well as the methodology of Critical Discourse Analysis (CDA). The work of Norman Fairclough (1992) is particularly drawn on as his discussion of Foucault, Gramsci, and others is particularly relevant. Of special interest are the concepts of intertextuality, interdiscursivity and articulation. In section C the methods of data collection are covered including the reasons for the time frame selected, the rationale for the range of texts used and how interviews were designed and conducted. In section D the methods of data analysis, which are an amalgamation of approaches from thematic analysis and CDA, are explained. In the final section the limitations of the methods employed are briefly explained.

A. Critical interpretive perspective

For the purposes of this study, I adopt a *critical interpretive* approach. Critical theory seeks to question and uncover rather than describe and report (Geuss, 1981; Kincheloe & McLaren, 2000; Macey, 2000) and is an epistemological approach that has its roots in the European thought of Marx and Freud. Critical theory is not a unified approach to sociological or cultural criticism but a critical approach means 'unmasking' in the tradition of thought begun by the Frankfurt school (Geuss, 1981). The main thesis of the Frankfurt school is that a

critical theory is "a reflective theory which gives agents a kind of knowledge inherently productive of enlightenment and emancipation" (Geuss, 1981, p. 2; Fairclough, 1992). The twin foci of emancipation and unmasking represent an approach that is different from traditional disinterested objective approaches to sociological research. Critical theory has a concern for social change but relies on the illumination of the hidden connections of power to stimulate any change. In the case of the NZ BSR the shifts in understanding that occurred can be read off at the surface level as the simple popularisation of the concept of BSR with the subsequent transition to sustainability as an evolutionary process. Both the NZ BSR and NZBCSD occupy public positions of ideological opposition to the NZBRT in that they both accept that business has responsibilities beyond merely making a profit. The critical interest lies therefore in why the concept of sustainability is apparently acceptable to the NZBRT (Kerr, 2002a) whereas BSR is not.

Cheney (2000) outlines three basic criteria for what he would consider a critical perspective. These are: " (1) an explicit concern for making value-based assessments; (2) paying special attention to relations of power in whatever situation is under study; and (3) penetrating and ongoing questioning of basic assumptions" (p.36) and for Wodak (2001) "'Critical' is to be understood as distance to the data, embedding the data in the social, taking a political stance explicitly, and a focus on self-reflection as scholars doing research" (p. 9).

I. Interpretive

Cheney (2000) asks the question; "What are we *doing/saying* when we declare ourselves to be "interpretivists"?" (p.19). The answer he provides ranges across five elements of the research enterprise; the *social actor*, the *researcher*, the *situation*, the *text*, and finally the *research process* itself. Of interest here is that the interpretive *researcher* is involved in the interpretation of the world and he/she actively works to construct aspects of the data and information through the identification of the research problem, the framing of the research questions and the drawing of the final conclusions. This approach recognises that there is a relationship between the researcher and the object of research and an appreciation and some consideration of the nature of that relationship is necessary. To demonstrate the variety of approaches possible within the interpretive paradigm

Cheney goes on to make a (non exhaustive) catalogue of 17 possible ways of understanding, or interpreting, what *interpretive* can mean.

The core concept of an interpretive approach is *understanding*. Weber (1949) distinguishes between descriptive and explanatory understanding, or *verstehen*, but ultimately both require an interpretation of a statement. Interpretation and understanding are therefore linked. Marshall (1994) maintains that in a sense any statement is interpretation as we have to make a distinction, or interpret, to understand anything. Schwandt (2000) describes an interpretive philosophy thus: "To find meaning in an action, or to say one understands what a particular action means, requires that one interpret in a particular way what the actors are doing" (p. 191).

In order to grasp the actor's beliefs in an objective manner the interpreter must, theoretically, be able to employ a method that enables them to both operate as a disinterested observer and acknowledge that in order to understand human actions as constituted in the lifeworld of their actors they need to participate in that lifeworld. The interconnectedness and circularity of the relationship between interpreter and actor is known as the hermeneutic circle. To interpret a statement it must be viewed against the world view or discourse from which it emanates and the necessity to cross reference the statement against the context, and vice versa, constitutes the hermeneutic circle of understanding (Marshall, 1994). To claim some understanding of BSR in New Zealand it is necessary to refer to the relationships between the groups that emerged contemporaneously with the NZ BSR as well as the political and social context and reflect on how these various influences impacted on the developing discourse.

In the approaches to interpretation canvassed so far it is assumed it is possible for the interpreter to operate as the *exegete*, or critical interpreter or analyst of a 'text', and therefore operate as someone who is able to distance themselves from the task of interpreting. *Philosophical hermeneutics* by contrast holds that it is impossible for the interpreter to operate at a distance because understanding and interpretation are one and the same. Understanding is not something 'out there' that we can compartmentalise, but it is rather part of what it is to be human. For this study the position of the researcher has been outlined in chapter one. The interpreter carries with them, willingly or not, traditions and

prejudgements that colour their understanding. It follows that full understanding requires "the *engagement* of one's biases" (Schwandt, 2000, p. 195). That is not to say that all biases should be unreflectively accepted but the interpreter should work to moderate, or disable, those prejudices that inhibit the ability to understand others. For Fairclough (1992) interpretation is part of the analysis of discourse practice and "with analysis of the social practice of which the discourse is part" (p. 73). Fairclough also points out that as we must try to understand how members of a social community produce their ordered worlds, they are also shaped by them by the social structures and relations of power that exist and the type of social practice they are engaging. Reflection on the process of interpretation is therefore important, as is the understanding that research on the development of the NZ BSR is only a part of the ongoing development of the ideas of BSR and Sustainability in New Zealand.

B. Relationships between discourse and society: As relevant to both theory and method.

I. Critical theory

As mentioned above, critical theory is associated with the Frankfurt school of Horkheimer, Adorno, and Marcuse. The critical theory of the Frankfurt School drew on the work of Marx and Freud and is concerned with dispelling the illusions of ideology (Marshall, 1994). The Marxist conception of ideology as illusion focuses on the separation of, and subsequent control by, the legal and political 'superstructure,' the realm of abstract ideas, over the economic 'base' which is the realm of actual production. The concept of ideology, which in its original sense referred to the science of ideas (Williams, 1985), thus developed a pejorative sense of a distortion of reality. The concept of ideology can be defined in many ways (Eagleton, 1991). For the purposes of this thesis, ideology is seen as a particular system of thinking which encapsulates the collective attitudes and beliefs of a group in society. As they are shared understandings ideologies are taken for granted as the correct, or only, worldview. Fairclough (1989) states that ideological power is "the power to project one's practices as universal and 'common sense'" (p. 33) and further:

I shall understand ideologies to be significations/constructions of reality (the physical world, social relations, social identities), which are built into various dimensions of the forms/meanings of discursive practices, and which contribute to the production, reproduction of transformation of relations of domination. (1992, p.87)

While acknowledging that there is significant ideological investment in many aspects of the physical world, social relations, and social identities Fairclough differs from Foucault on the concept of ideology. Foucault resists the notion of ideology as he sees truth as relative. Truth can only be considered in relation to the specific discursive formation under consideration. For this reason too, Foucault resists critical analysis because he considers it impossible to operate outside of that relationship (Fairclough, 1992). Fairclough maintains that it is possible to distinguish the *degree* of ideological investment that imbues a discourse, and therefore a critical analysis is possible. Fairclough's view of ideology is one of the areas where he differs from Foucault. Fairclough wishes to use the theoretical constructs outlined by Foucault in order to operationalise Foucault to create a usable approach to critical discourse analysis.

Two of the key concepts from critical theory are legitimization and hegemony. The idea of legitimization is most commonly associated with the work of Max Weber and Jürgen Habermas, who is also the current standard bearer for the ideas of the Frankfurt School. Italian Marxist thinker Antonio Gramsci developed the theory of hegemony in his famous prison notebooks (1971) and both legitimization and hegemony are useful concepts for exploring the subtleties of power and how certain ideas come to be dominant in contemporary society.

II. Legitimation

"Legitimation refers to the process by which power is not only institutionalized but more importantly is given moral grounding. Legitimacy (or authority) is what is accorded to such a stable distribution of power when it is considered valid" (Marshall, 1994, p. 363). Weber (1949) divided power into two ideal types: factual power and the authoritarian power of command. Factual power is associated with acquiescence on the basis of (self) interests whereby power is held over populations through control over goods and services. The authoritarian

power of command differs in that the motivation to obey is not a result of immediate self-interest but a result of the subject according authority, or legitimacy, to the institution claiming power. Weber further described three ways: traditional, charismatic, or rational-legal, by which those in power might claim legitimacy. A legitimation crisis (Habermas, 1971) can however, occur when the validity of the power is questioned. In the case of the environment, for example, Ulrich Beck's conception of the risk society is useful in considering the possible loss of legitimacy faced by the standing laws of civil society in the face of environmental risk. The population, the stakeholders, in a society should have a role in the identification and management of risks as they have the capacity to destabilise the political economic order (see also Dryzek, 1997, p. 98).

III. Hegemony

The second important concept in critical studies is the concept of hegemony formulated by Antonio Gramsci (1971). Gramsci was primarily interested in social change and his concern was to advance a Marxist revolution through a philosophy of praxis, or action. He was, therefore, focused on the mechanisms by which populations gave their "spontaneous" (Gramsci, 1971, p. 12; van Dijk, 1993) consent to the dominant ruling group. Mumby (1997) points out that Gramsci understood hegemony as dialectical and not simply a model of dominance and resistance as it is often employed in critical studies. "Hegemony is conceptualized as non coercive relations of domination in which subordinated groups actively consent to and support belief systems and structures of power relations that do not necessarily serve-indeed, may work against- those groups' interests" (p. 344). The neo-liberal market driven approach to the organisation of the economy in New Zealand and elsewhere, which in turn had implications for the organisation of society, is a case in point. The dominance of neo-liberal policies in New Zealand was being questioned on many fronts through the 1990s which made the formation of the NZ BSR symbolically important as it was a business group daring to question the attempted imposition of a pure neo-liberal hegemony. Fairclough (1992) maintains that all the elements of discourse: "Discursive practice, the production, distribution, and consumption (including interpretation) of texts" (p. 93), are facets of hegemonic struggle which contribute "to the reproduction or transformation not only of the existing order of discourse

(for example through the ways prior texts and conventions are articulated in text production), but also through that of existing power relations" (Fairclough, 1992, p. 93). Concessions may be made at the fringes of discourse and practice in order to try to conserve the core ideology as when the NZBRT constructs its own interpretation of corporate social responsibility.

The CDA of Fairclough (1992) and others (Jäger, 2001; van Dijk, 1993, 2001a) is heavily influenced by the work of Michel Foucault. Central to the study of discourse analysis as Foucault described it is an examination of power relationships at work. Some of these power relationships may be overt and take the form of commands or instructions, but often the dominance of one group over another is based on assumptions of what is the natural order in the world. Foucault's writing was divided into archaeological and genealogical phases. The archaeological writings are important here because in them Foucault (2002) outlined two important theoretical insights for discourse analysis. The first involved seeing discourse as constitutive where it actively constructs society through "objects of knowledge, social subjects and forms of 'self', social relationships and conceptual frameworks" (Fairclough, 1992, p. 39). The second insight was the intertextual element of discourse or how texts draw on and transform "other contemporary and historically prior texts" (pp. 39-40). Foucault was concerned with the: "emergence of our present forms of knowledge" (Mautner, 1997, p. 204) or, "a history of the present" (Kearins & Hooper, 2002, p. 735). This approach differs from Fairclough's textually oriented discourse analysis (TODA) as Foucault was concerned with specific sorts of discourse and how they were transformed into a science. Fairclough, however, explains that TODA can be applied to any sort of discourse (Fairclough, 1992). Additionally TODA deals with spoken or written texts where Foucault is concerned more with the abstract rules that constitute domains of knowledge (Fairclough, 1992).

To that end, a view of the NZ BSR that considers text and the social, political, and economic perspectives may help to illuminate the interplay between what was said, what was meant, and what was happening in the prevailing social, economic, and political climate of the time. Focusing on "crucial" moments of rupture, be they public or otherwise, helps to bring subtle but important focus on shifts in perspective into focus.

C. Critical Discourse Analysis

In this section I will describe the method I chose to use and why it is the most appropriate for the study. Norman Fairclough has been one of the most influential scholars in the field of discourse analysis because his work "stands out for his methodical emphasis and for opening up to a greater appreciation of sophisticated linguistic constructs in the analysis of discourse" (Gallhofer, Haslam, & Roper, 2001, p. 122). In order to theorise around discourse a combination of techniques centred on the CDA of Fairclough and his three-step approach to discourse analysis is employed. The aim is to reveal the connections between discursive strands (Jäger, 2001) and illuminate the relationships and possible tensions between discursive positions.

Within the domain of social theory the term discourse is used to refer to different ways of structuring knowledge and social practice. O'Sullivan et al., (1994) describe discourse as "the social process of making and reproducing sense(s)" (p. 93). Discourse, therefore, not only refers to how a discourse participant wishes to be seen but also how they project their view of the world. In that sense discourse is also constitutive of the social domain it describes (Chouliaraki & Fairclough, 1999; Fairclough, 1992).

There are many possible types of discourse, usually situated around institutional centres or domains, so the relationship between discourse types is also important. Van Dijk (2001b) describes discourse analysis thus: "a type of discourse analytical research that primarily studies the way social power abuse, dominance and inequality are enacted, reproduced and resisted by text and talk in the social and political context" (p. 352). CDA is an amalgam of approaches. As a method it is multidisciplinary (van Dijk, 2001a) because it grows out of critical theory, linguistics, semiotics, and traditional discourse analysis.

Prior to the development of the varieties of discourse analysis the historical bedrock of textual analysis and exegesis was rhetorical criticism, an approach that has much to offer especially with the revival in North American scholarship (Jasinski, 2001) and the major contribution of Kenneth Burke's (Burke, 1969, 1973) 'dramatistic' approach which investigates "act, scene, agent, agency, and purpose" in order to determine the nature and motivations of a rhetorical world" (Foss, 1979, p. 276). Even though it is widely recognised

'Burkeian' criticism is not the only methodological approach to rhetorical criticism. "Rhetorical criticism is the description, interpretation, analysis, and critique of organised persuasion — and by extension, identification" (Cheney & Lair, 2005, p. 60; see also Cheney & McMillan, 1990). Fairclough's (1992) CDA tends to subsume rhetoric as one of the functions of analysis within CDA, as when specifying types of rhetorical mode; "'argumentative', 'descriptive' and 'expository'" (p. 127). The various types of modern rhetorical criticism go beyond the merely descriptive function to focus on concerns similar to CDA, like the constitutive effects of language. This means there is a definite family resemblance in the rhetorical and CDA approaches to language analysis.

Initial interest in the topic of the discursive development of the NZ BSR was sparked by the very public discursive struggle that occurred between those promoting the apparently benign concept of BSR and those factions vigorously opposed (see chapter 2 for a full discussion). In its establishment phase the focus of the NZ BSR was to introduce the concepts of BSR to the NZ business community, with an obvious focus on language rather than action, while the group talked itself into existence. Deetz (1982) maintains that talk is not merely the transmission mechanism for ideas that can be interpreted at face value, but meaning arises from deeper structures because "knowledge is produced in talk" (p.133). Further, simple description of meaning created by an organisation is not enough. Research into organisational meaning should have a critical element which attempts to elucidate "where false consensus exists and the means by which it is constructed" (p.133). Critical discourse analysis offers a useful method to research the "talk," the discourse of BSR, used by the NZ BSR because it has language and text at core, as well as encompassing the wider concerns of how discourses fit in the social, political, and economic contexts.

There is no proscribed research method for CDA (Fairclough, 1992, 2001; Gallhofer et al., 2001; Jørgenson & Phillips, 2002; van Dijk, 2001a) as in qualitative research generally the formulation of the research method is largely dependent on the context and the research questions asked (Denzin & Lincoln, 2000), an approach which means that any analysis is delimited. There are however various CDA and communication scholars (Chouliaraki & Fairclough, 1999; Fairclough, 1989, 1992, 1993, 2001, 2003; Hajer, 1995; van Dijk, 1993; Wodak &

Meyer, 2001) whose work offers a battery of research tools for this study. For the purposes of this project a tailored CDA approach will provide the necessary depth of analysis without making the project unwieldy.

Special attention is paid to value related terms, key policy decisions and 'turning points', junctures or discontinuities, expressions of identity and image, expressions of 'weness' — all of these as pertaining to the NZ BSR as a whole and to its constituent members. Owen (1984) states that a theme can be identified when the criteria of recurrence, repetition, and forcefulness are present. Passages that contain some explicit or implicit reference to BSR or sustainability and the relationships of the organisations concerned to other organisations, or the relationship of business to society, are relevant to the study. The relationship between the themes may, when interpreted in the light of the research questions, reveal how the author has constructed a particular passage or text to reflect or encourage a certain understanding of the world. Themes identified within the available texts provide a snapshot of the prevalent understanding organisations have of their relationships and the role of business and sustainability in society. When themes from all the texts are identified the development of those themes can be placed in a social and political context.

In looking at actual instances of discourse Fairclough advocates analysis on three dimensions; text, discursive practice, and social practice. While not adopting a purely Faircloughian CDA approach there is sufficient commonality between Fairclough's approach and the approach of others (van Dijk, 2001a) to adopt a Faircloughian schema for descriptive purposes. Instead of the text, discursive practice, social practice of Fairclough van Dijk talks of *global meaning*, *local meaning* and *structures of text and talk*. *Global meaning* encompasses the overall (p. 102) ideological meaning of the discourse which language users constitute and has to be inferred—as van Dijk says the "gist" (p. 102) of the meaning—and therefore cannot be directly observed.

The research questions in this study are triggered by larger questions of the development of the NZ BSR and the subsequent shift in the discourse of BSR, questions analogous to the level of van Dijk's *topics*. van Dijk identifies that "topics represent what a discourse 'is about' globally speaking" (p.102) and they provide a first , overall, idea of what a discourse or corpus of texts is all about,

and [control] many other aspects of discourse and its analysis" (p. 102). So we begin with a global view of the discourse but in order to provide any depth of analysis the focus needs to be sharpened to Fairclough's level of the text (local meanings for van Dijk) where we can locate evidence that points to the larger analytical levels of discursive practice (structures of text and talk for van Dijk), and social practice. Fairclough acknowledges that "one never really talks about features of a text without some reference to text production and/or interpretation" (p. 73) so the process of analysis is constantly cross referencing between different analytical levels.

Local meaning refers to a more precise focus on the meaning of words. The speaker or writer holds a mental model or "more general, socially shared beliefs" (p. 103) and the local meaning is ascribed through the words selected to portray that model or belief. *Structures of text and talk* refer to the genres and discourse forms that create mental models. With three basic levels of analysis the question arises as to which level any analysis should begin at. Fairclough's three dimensional model has text as central and it is logical to assume that the text offers the starting point, the evidence, for the analysis. For this project discourse analysis commences with the 'text'. Text is the central component of Fairclough's social theory of discourse and, in its physical form, arguably the only evidence we can engage with. Deetz (1982) points out: "texts serve as the reality for the organisation. There is no way out of them to some other reality" (p. 137, see also Cheney & Frenette, 1993). 'Texts' cannot necessarily be reduced to the written word but are any messages that have a physical existence. Texts therefore can include signs or codes (O'Sullivan et al., 1994) including photographs, colours, design features, etc. The analysis of 'texts' may involve reference to these features. Examples of 'text' for this study are transcripts of interviews and speeches, board minutes and notes resulting from organisation 'visioning' sessions, books, magazine and newspaper articles, pamphlets, brochures, web sites and other internet based material including online articles and books.

I. Textual analysis

The first step in analysis is to identify keywords (Fairclough, 1992) with further focus on words that are strongly or consistently associated with the keyword. By this process themes can be identified. In this study the main

keywords and themes are evident because they dominate the language employed. Keywords and themes are explored in chapter five through a timeline in the development of the NZ BSR. The concepts of BSR and Sustainability are central to the discussion and the ideas and language that are brought in to support, or discredit, the concepts that are revealing. It is important to tease out the subtle variations on the themes and of the keywords in use.

For Fairclough's social theory of discourse the analysis of texts begins at the linguistic levels of "'vocabulary', 'grammar', 'cohesion', and 'text structure'" (Fairclough, 1992, p. 75). This micro level of text analysis is important because it "provides evidence for macro analysis" (Fairclough, 1992, p. 86). Fairclough is interested to provide a way to apply Foucault's insights into the constitutive nature of discourse to use it as a way to analyse discourse and the effect of discourse on social change.

At the micro level of linguistic analysis it cannot be assumed that interpreters of the text can simply read off meaning through a fixed, symbol-referent relationship. The lack of a necessarily fixed symbol-referent (or signifier-signified) relationship also has ramifications for the production of the text as in semiotic analysis "there are social reasons for combining particular signifiers with particular signifieds"(Fairclough, 1992, p. 75). Fairclough also points out that there is considerable overlap between his three levels of discourse analysis (text, discursive practice, and social practice). Formal features of text might be salient and therefore the analysis is primarily within the level of textual analysis. It is also possible that other features will be predominant (production, interpretation) and therefore be analysed as examples of discursive practice even though they involve formal features of text (p. 74). The essence of the analysis at the textual level is that it addresses both form and meaning and is not reduced to a limited structural analysis. The text is the starting point and provides the evidence for teasing out either a particular meaning, or the most likely alternative meanings as accurately as the evidence will allow.

There are therefore, different ways of approaching the text. If necessary, analysis can begin at the macro level of close textual analysis of grammatical structure. While a close textual analysis at the level of grammar is certainly possible, and would no doubt be informative, Fairclough developed CDA to be an

interdisciplinary approach so an analysis can be conducted using a variety of techniques which are not dependent on specialised knowledge. Additionally the scope of this project does not require or allow for it. It has been pointed out (Fairclough, 1992; van Dijk, 2001a) that logistical problems of time and space render a close textual analysis unsuitable when there is a large data set involved. Fairclough (1992) suggests a solution to this problem by proposing that some sort of coding system that enables the researcher to identify and focus on themes relevant to the research question would be of benefit. Owen (1984) offers a coding system that is similar to keyword analysis solutions offered by others (Fairclough, 1992; Roper, 2000). The coding process for this study was relatively uncomplicated because, as indicated above, in the case of the discourse of BSR the themes are highly visible.

Fairclough also discusses the discourse selection strategy of focusing on 'cruces'; moments of crisis (p. 230) that can help the researcher identify critical junctures where change and consequent discursive shifts occur. Jäger (2001) points out that discourse analysis "deals with the respective fields of what can be said" (p. 51) which means the possible range of themes is surprisingly limited.

II. Discursive practice (production, distribution, consumption)

Fairclough's second level of analysis is that of discursive practice. At this level of analysis the focus is on text production, distribution, and consumption. Fairclough (1992) uses the example of how multiple different people are involved in the production of a newspaper story to point out how the concept of text production is not as straightforward as it might seem. The person named as the author of a newspaper article may, in fact, have only contributed in a relatively minor way to the production of the piece. When considering the board minutes of the NZ BSR, as an example, there are several factors that impact on the final board minutes as published. There are multiple authors in the sense that it is the duty of the minute taker to record all contributions to a meeting. Also the requirement to record contributions is, to some degree, restricted by the additional protocol of the agenda that is published for the meeting.

Distribution of a text can be widespread, as is generally the case with a newspaper article, or it can be limited as you would expect with the minutes of a board meeting. The minutes of a board meeting — or parts thereof — may well be

of sufficient public interest to be more widely distributed in an article in a television business news report or business magazine. The production and consumption of the text will, therefore, be mediated by sociocognitive processes. That is the text will be interpreted according to the social structures and conventions that apply to the interpreter. The language of business is itself a specialised discourse which is made manifest in institutionalised conventions like the functioning of a symbolically charged managerial hierarchy, board minutes and company reports. Because:

A discourse is a shared way of apprehending the world. Embedded in language, it enables those who subscribe to it to interpret bits of information and put them together into coherent stories or accounts. Each discourse rests on assumptions, judgements, and contentions that provide the basic terms for analysis, debates, agreements and disagreements. (Dryzek, 1997, p.8)

The consumption of texts from a specialised discourse outside of the discourse participants is constrained by the resources, "internalised social structures, norms and conventions" (Fairclough, 1992, p. 80) that discourse participants bring to the interpretation of the text. As an example, not all newspaper readers will identify with the specialised discourse of a business report as it is outside of their discursive domain. Fairclough (1992) says of interpretation that it is:

An active process in which the meanings arrived at depend upon the resources employed and the social position of the interpreter, and one can construe texts as merely producing ideological effects upon a passive recipient only if one ignores this dynamic process. (p. 29)

In concert with ideas of production and interpretation it is useful to consider Berger and Luckmann's (1966) concept of *social constructionism* which holds that "reality is socially constructed and that the sociology of knowledge must analyse the process in which this occurs" (p. 13). A social constructionist approach is centred on the idea that "society is actively and creatively produced by human beings" and that "social worlds are interpretive nets woven by individuals and groups" (Marshall, 1994, p. 609).

The central importance of language in the social construction of reality is especially relevant for critical discourse analysis. Fairclough (1992) notes that

"discourse is a mode of action, one form in which people may act upon the world and especially upon each other, as well as a mode of representation" (p. 63). One of the purposes of this study is to try to understand how the NZ BSR organisation talked itself into existence. Fairhurst and Putnam (2004) identify one approach to organizational discourse analysis as seeing "organizations in a constant state of becoming through the ways that the properties of discourse and patterns of interaction shape organizing" (p. 6). The language NZ BSR used to describe and project itself is of great importance while the organisation constructed itself and moved from theoretical construct, where it existed in 'talk' only to an organisation with physical members and roles.

Allen (2005) considers the application of social constructionism to organizations and notes that while there are numerous possible varieties of the approach there are four primary positions that most will agree on. These are: "that a critical stance should be assumed toward taken-for-granted knowledge, knowledge is historically and culturally specific, social processes sustain knowledge, and knowledge and social action are connected" (Allen, 2005, p. 38). Language, as a social process, is fundamental to creation and sustenance of knowledge and as a means of making sense of the world because, "Language is a system we use to objectify subjective meanings and to internalize socially constructed meanings" (p. 38). The difficulty of melding together a values based discourse with the discourse of business becomes evident when there is dispute over the terms and the validity of the new discourse. When a dispute erupts an analysis of *intertextuality*, *interdiscursivity*, and *articulation* become central (Fairclough, 1992).

Fairclough (1992) describes intertextuality as "basically the property texts have of being full of snatches of other texts, which may be explicitly demarcated or merged in, and which the text may assimilate, contradict, ironically echo, and so forth" (p. 84). Central to the idea of intertextuality is the historicity of texts where texts draw on prior texts and in doing so often contribute to a new understanding of those texts as well as making a new text available to be drawn on. Intertextuality can be either 'manifest' where other texts are overtly drawn on (Fairclough, 1992) or interdiscursive (constitutive) where elements of other orders of discourse are drawn on. Manifest intertextuality is displayed, for example,

when opponents in a debate draw on the other's argument in order to deflate or ridicule it. In that sense the texts of the NZBRT and NZ BSR often refer to the other's position on issues. Similarly both the groups draw on historical figures and arguments in an attempt to buttress the legitimacy of their positions.

Intertextuality and interdiscursivity imply a historicity of discourse; already existing and identifiable discourses that are available to be drawn on. To this end the idea of discourse as a "flow of knowledge" (Jäger, 2001, p.35) fits with the Foucaultian concept of archaeology and genealogy of knowledge. It is a useful way to consider the introduction and development of the concept of BSR into the New Zealand social consciousness.

Articulation (Grossberg, 1996; Hall, 1996; Slack, 1996) is the process of combining together disparate elements in an attempt to create a unity when there is not necessarily any obvious connection. Fairclough (1992) refers to an articulatory struggle occurring "though the redrawing of boundaries between old elements" (p. 70).

An articulation is thus the form of the connection that *can* make a unity of two different elements, under certain conditions. It is a linkage which is not necessary, determined, absolute and essential for all time. You have to ask, under what circumstances *can* a connection be forged or made? (Grossberg, 1996 p. 141)

Intertextuality, interdiscursivity and articulation (Fairclough, 1992; Grossberg, 1992, 1996; Slack, 1996) occur when, as part of text production, text producers draw on and combine other texts and other orders of discourses. Jäger (2001) describes this process thus:

The various discourses are intertwined or entangled with one another like vines or strands; moreover they are not static but in constant motion forming a 'discursive milling mass' which at the same time results in the 'constant rampant growth of discourses'. It is this mass that discourse analysis endeavours to untangle. (p. 35)

The growth of discourse strands is partly organic and partly artificial in the sense that discourses are constantly being hybridised, either through the natural intermixture of discourses but also through the pushing together or grafting, as it were, of different discourses. By extension the question is raised as to the initial sources of the discourse strands and how each grows or withers, becomes a leader

or a branch, and overgrown and entangled or distinct. The future impact of a discourse can, to some extent, be predicted on the basis of its current strength, obstacles it faces and the existence of new discourses that are likely to challenge for space. The interconnection between text, discursive practice, and social practice as outlined by Fairclough (1992) means that answering the question is in many ways more than just academic. The ideological underpinnings of the different discourse strands have very real ramifications as they point to desired directions of debate; what is being pushed into the foreground or quietly left to slip away, what can and cannot be discussed. The development of BSR and sustainability action plans for business and business influence on government policy means that the dominance or submission of discursive positions is of central importance.

III. Social practice

Fairclough's third level of analysis is social practice and central to social practice are the concepts of ideology and hegemony. Fairclough describes ideology in the following way:

I shall understand ideologies to be significations/constructions of reality (the physical world, social relations, social identities), which are built into various dimensions of the forms/meanings of discursive practice, and which contribute to the production, reproduction or transformation of relations of domination.
(Fairclough, 1992, p. 87)

Ideology is a particular way of viewing reality so each 'text' will demonstrate a particular world view. The ideological contribution to the text is when it helps to establish or reproduce a particular worldview. The establishment of an ideological position as 'common sense' is therefore a result of a dialectical relationship between the text producer and consumer. The work of ideology is not always visible and it is the task of the critical discourse analyst to determine whether forms of ideology establish or sustain relations of dominance (Wodak, 2001). Those subject to, and contributing to, an ideology may deny they represent a particular way of thinking. For the purposes of this study knowledge of the political and social history that underpins the various viewpoints on BSR allows the researcher to better understand and interpret the 'texts' produced.

Hegemony has been described above as: "noncoercive relations of domination" (Mumby, 1997, p. 344) so ideology, along with the political, cultural, and economic domains, is one of the contributors to a hegemonic state. Hegemony involves persuasion through the formation of alliances and the hegemonic struggle is greatest where there is instability between classes or blocs (Fairclough, 1992, 2001). Hegemony is never complete however, and it is the points of rupture, often evident as discursive struggle, that can be most revealing for the researcher. In this instance the discursive struggle over the validity of the concept of BSR indicated that the neo-liberal factions considered BSR as a challenge to their attempts to establish hegemony.

For the purposes of this study the reasons for conducting a critical discourse analysis are three fold. First, the very nature of CDA is dealing with texts and discourses as historical events (Fairclough, 1992; Myer, 2001). By engaging with texts CDA is concerned with placing the communicative actions or discursive events in a social, political and economic context. Second, CDA enables an analysis of cultural, social, and ideological factors beyond the constraints of the linguistic and third; for an analysis like this context is essential so an interdisciplinary approach including the social-psychological, political and ideological is called for (Myer, 2001).

IV. Overall design of the study

Research into the development of the discourse of the NZ BSR organisation offers a bounded study in a relatively sophisticated and developed western economy that may prove valuable in explaining and predicting discursive tensions and gaps. A picture of how the discourses of BSR and sustainability have developed and transformed can be produced which can then be used to cross correlate with the experiences of other groups in similar contexts. The scope of the study encompasses multiple discursive contexts within the setting of a state that is relatively homogeneous yet with enough social, economic, and political complexity to make the study both generalisable and relevant at an international level. What is intended is to track the development of the NZ BSR, specifically the discourse elements that contributed to the NZ version of BSR and where those discourse elements were accepted or challenged and modified.

The NZ BSR was (and SBN is) apparently a socially enlightened organisation. The function of this study is to; explore, with a critical awareness, elucidate areas of possible social advance, and reflect on discrepancies between the stated aims of the NZ BSR and its actual practices which are especially relevant given the attention to values, and discourses about values in this case. In addition, I am interested to research the evolving nature of the concept of Business Social Responsibility, now usually included under the generic terminology of 'Sustainability' in New Zealand, and the historical lineage of these discursive strands and the connections between them. How the language of BSR and sustainability has been combined is important as the theoretical underpinnings of the various terms dictate what can and cannot be combined at certain points in time. An ideological clash (Geuss, 1981) is often marked by the struggle for control of the discourse and the power elites can be considered as those who have the most to say in the struggle for discursive dominance.

D. Methods of data collection:

The research consists of primary research in the form of semi-structured interviews with key players in the development of the NZ BSR. Semi-structured interviews (Fontana & Frey, 2000) were chosen as they allowed flexibility in the interview. By using a set of questions focused on certain themes, the motivation of the participant, and how they understood the difference between BSR and sustainability for example, it was possible to gather core data across all interview subjects while not being tightly restricted to those questions (appendix1). The semi-structured interviews proved to be an effective way of gathering data because opinions were freely offered on the core topics as well as themes that were relevant, but not include as core questions. How the idea of *profit*, for example, was portrayed by the interview subjects was not a central concern prior to the interviews but subsequently proved to be an interesting and relevant. Also, given the freedom to reminisce on their experiences the interview participants were able to expand on themes that were of particular interest or importance to them. Many of the interesting observations were offered by the subjects by way of revisiting a core question some time after the question had been posed and discussed.

Interview subjects include: founder (and other) board members of the New Zealand Businesses for Social Responsibility organisation, and the chief executives of both the NZ BSR (Annette Lusk) and AEBN (Rachel Brown) at the time of the merger. Cheney and McMillan (1990) note that entire organisations can be viewed as rhetorical arguments when the organisation is dedicated to a particular worldview or stance, and this reasoning provides the rationale for the scope of texts selected for analysis. Semi-structured interviews with a series of open ended and broad based questions were used as there were a base set of topics. The same series of questions were used for most of the interview subjects who had been board members of the NZ BSR as the research intended to find out their recollections of specific events that were common to the board. Other subjects who were not board members such as Annette Lusk who was the executive director of the NZ BSR for a period, and Rachel Brown the executive director of the AEBN, were asked questions specific to the specialised information it was felt they held. Both Brown and Lusk were instrumental in driving forward and ultimately drafting the AEBN/NZ BSR merger document for example and so had specific recollections about that process. Additionally Annette Lusk was able to give an overview of her perception of the functioning of the organisation from her perspective as the executive director.

In all there were thirteen interviews conducted, one of which was a follow up interview with Rachel Brown of the SBN. The interviews generally lasted about an hour with few exceptions. Two telephone interviews were conducted which were slightly shorter than an hour, but several face to face interviews ran longer. The interview with Annette Lusk, for example, was nearly two hours long. The interview process proved to be very interesting as there was often a broad range of opinions on topics on which it was assumed there might be relative consensus.

I was fortunate enough to be given access to the archives of the NZBSR which proved to be a fascinating, official central repository and a major source of textual. The archives included the board minutes of the NZ BSR where much of the meaning of the organisation in both practical and symbolic senses was planned, negotiated, developed and recorded. The documents and data selected for analysis were documents for:

1. Text analysis - including written documents and interviews.

Primary data for analysis is mainly texts in the form of written texts including transcripts of interviews. Secondary data includes relevant articles published in New Zealand print media from 1998. Specific texts for analysis were:

Transcripts of interviews with NZ BSR/SBN members

- NZ BSR board papers, emails and letters and organisational publications, both print and electronic, from 1998 to 2001.
- Texts relevant to the concept of social responsibility published by individual members of the NZ BSR/SBN 1998 to 2002.
- Texts relevant to the concept of social responsibility and sustainability published by individuals and organisations that are not members of the NZ BSR/SBN from 1996 to 2002; primarily publications and speeches by the NZBRT.
- SBN organisational publications, both print and electronic, from 2001 to 2002

I. Data collection: Sampling of documents

In 1996 Roger Kerr of the NZBRT addressed the AISEC student conference with a speech that outlined the points where the NZBRT opposed BSR. As such it was a significant public pronouncement of position and laid out the areas where Roger Kerr and Dick Hubbard would disagree. The 1996 AISEC address marked the beginning of the public debate that was to be played out in articles and various other discussions. The year of 2002 also offered a natural end point as that is when the NZ BSR merged with the AEBN. The vote to merge was taken at the NZ BSR Annual General Meeting (October 25, 2002) held during the combined NZ BSR/AEBN/NZBCSD conference.

The focus of this study is on the 'texts'; material from the archives of the NZ BSR/SBN, and AEBN organisations, which includes: letters, newspaper and magazine reports, minutes of board meetings, planning and strategy documents, emails, pamphlets and brochures, and speech transcripts. Over the period under study there were hundreds of speeches made by Dick Hubbard. They have not all been recorded but those extant demonstrate common themes usually focused on the agreed stance of the organisation, with facets of Dick Hubbard's personal

values included. Material for study was found by searching the NZBSR Board papers, internet searches on the topics of Dick Hubbard, NZBSR, NZBR(T) and by following references to other publications of interest. The NZBRT website offers a wealth of information categorised by topic and year with the full PDF versions of publications available.

The design of this study is intended to detect differences in understanding of the concept of BSR over time, and determine if these differences are related to the discursive struggle over the place of business in society. It is not the purpose of this study to quantify Business Social Responsibility initiatives but rather to effect a qualitative analysis using CDA as advanced by Fairclough (Chouliaraki & Fairclough, 1999; Fairclough, 1989, 1992, 1993, 2001, 2003). The intention is to investigate how the NZ BSR (SBN) organisation came into being and represented their relationship with other organisations, business and society. To achieve this goal the analysis concentrated on passages where there is both explicit and implicit reference to the NZ BSR or SBN and their relationships to other organisations, to business, or society, including any intra organisational references within the merged SBN to the AEBN or NZ BSR. Any such passages were noted and organised by relevant theme. The most useful texts turned out to be the minutes from the NZ BSR board meetings and transcripts of interviews conducted with the NZ BSR board and executive members. The interview transcripts provided information that included a direct responses to specific questions that emerged during the analysis of the board (and other historical) papers. They were, therefore, extremely useful to fill in the gaps and provide a nuanced understanding of the board minutes that are, by design, a distillation of often lengthy discussions.

E. Methods of data analysis:

I. First level: Descriptive, thematic analysis

The first level of analysis is a descriptive, thematic analysis. Owen's (1984) conception of thematic analysis states that a theme can be identified when the criteria of recurrence, repetition, and forcefulness are present. Texts were read to identify relevant themes with special attention to value-related terms, key policy decisions and 'turning points' as well as expressions of identity and image,

expressions of 'weness' — all of these as pertaining to either the NZ BSR/SBN as a whole and to its constituent members. The development and introduction of different themes for the NZ BSR is traced in chapter five through a timeline that follows the first published instances of debate over the concept of BSR, through the development of the organisation, and its subsequent merging with the AEBN. The 'proper role of business in society' and the 'profit motive' are examples of themes identified. Also identified in chapter five are examples of intertextuality and articulation.

II. Second level: Inferential

Once salient texts and themes were identified they were then further analysed using critical discourse analytic techniques, paying special attention to articulations used in the attempt to shift the discourse of business. The analysis includes an examination of the subject position of NZ BSR founder and chief spokesperson Dick Hubbard. Also analysed were the attempts to construct the NZ BSR as a business organisation and how that was important to shifting the discourse overall. Unexpressed as well as expressed value assumptions, ideological implications of various kinds of 'positioning' and, in the context of interorganisational networks, suggestions of relations of power within and between entities and institutions were also taken into account. The attitudes towards BSR and sustainability expressed through organisational discourse of the NZBRT, the NZ BSR and sustainability groups indicate key attitudes and areas of understanding that are most important in the opposition to, or struggle for, the control of the discourses of BSR/sustainability. Any struggles apparent in the discourse help to explain the ongoing struggle occurring over the relationship between business, government and society.

III. Third level: Speculations

The third level of analysis considers the future of the different social responsibility and sustainability organisations. The SBN was the organisation that ostensibly carries the mandate of the members who chose to stay on post the NZ BSR/AEBN merger. Inherent in this level is analysis of the meaning of BSR within the SBN with reference to other organisations, most notably the NZBCSD. Along with an analysis of the meaning of BSR it is necessary to consider the

newly dominant position of the concept of sustainability and how that is affected by, or impacts on, concepts of BSR. Also important is the effects on social practice, and the desirability of business's involvement in setting of values, and the theory and practice of democracy.

F. Limitations: Methodological limitations

This study is limited, paradoxically, by the creation of other organisations concerned with Business Social Responsibility and sustainability during the period of the study. This study would be more complete with a close analysis of *all* the organisations that developed during this period because of the many overlaps between the membership of NZ BSR, SBN and NZBCSD. The NZBCSD organisation was set up with a different agenda and objectives from the NZ BSR. It remains a relatively discrete group in its objectives and functions whereas the NZ BSR and the AEBN were positioned as being similar enough in their composition, value sets and direction to enable them to merge. Though I have discussed intersections that occur with the various groups a full study of the NZBCSD and its interactions with other groups would provide an important explanation of the location of the NZBCSD in the New Zealand context — especially as it draws heavily on, and is closely linked to, the World Business Council for Sustainable Development.

As there are limitations in the range of organisations studied there are also limitations in the range of methodologies applied. A critical rhetorical analysis of the apparently standardised, or consistent, argumentative frames used in the New Zealand publications of the NZBRT to debate the topic of BSR would be informative. Henderson (2005), points out the advantage of rhetorical criticism is: "its focus on the actual construction of language in the texts. This ensures the analysis keeps very close to participant's own understandings, focuses on the suasive elements of texts, and allows for the evaluation of the rhetorical elements used" (p.118). Exploration of the texts produced by the NZBRT using rhetorical criticism, of the type demonstrated by Aune's (2007) analysis of the writing of Friedman, would be fascinating as there is a central well of ideas that are commonly utilised (Welch, 1998). Similarly, the heavily symbolic communication of the NZ BSR, and the sustainability movement, lends itself to a critical

rhetorical analysis using the concepts of 'fantasy chains' (Bormann, 1972) and 'rhetorical vision', extended to social movements, and narrative and Proppian story lines (Harré, Brockmeier, & Müllhaüser, 1999). Foss (1979) says that :

Just as fantasy chains create a unique culture within a small group, so the fantasy themes of campaigns and movements chain out in public audiences to form rhetorical visions. When group members wish to convert others to their position, they will begin to create messages for public speeches, the media, and literature, shaping their fantasy themes that excited then in their original discussions into suitable form for various public audiences. (p. 276)

Proppian story lines are a framework developed for the analysis of fairy tales but are applicable to other genres. An approach utilising Proppian story lines, where narrative progression can be identified from a list of 31 consecutive steps, would be equally fascinating applied to the public communication of the New Zealand based groups who either advocate values in business, or claim to represent business interests. New Zealand academic Barbara Vincent, for example (Welch, 1998), found that NZBRT texts deified 'the market'. Hajer (1995) and Dryzek (1997) employ a concept of story lines in their respective analyses of environmental discourses, though not with the same specificity as Harré et al., (1999).

Chapter Five

Findings I. Discourses of BSR, Key Turning Points, and Timeline of the Development of the NZ BSR

Introduction

This chapter refers to Ch 4, EI (p. 86) as it is concerned with descriptive, thematic analysis. It is largely descriptive as it combines an overview of the main positions adopted by the proponents and opponents of the concept of BSR with an interpretive historical account of the development of the of NZ BSR organisation based on the board minutes and public 'texts' in the form of speeches, debates, and other publications. As part of the description, however, special attention is paid to explicit themes identified as well as examples of value-related terms, key policy decisions and 'turning points' or moments of crisis, expressions of identity and image, expressions of 'weness' — all of these as pertaining to NZ BSR as a whole and to its constituent members. Also identified are instances of articulation and intertextuality in order to elucidate the constitutive function of discourse. The development of links and networks is also tracked when they appear to have affected the discourse of the NZ BSR and hastened the transition to the terminology of sustainability.

As already discussed, thematic analysis (Owen, 1984) enables the researcher to deal with a large corpus of data (Fairclough, 1992) by uncovering salient themes when they emerge and recur. Fairclough (2003) also points out that: "textual analysis is... inevitably selective: in any analysis, we choose to ask certain questions about social events and texts, and not other possible questions" (p. 14). In the context of this study themes are generally easily identified because they constitute central ideas of the organisations. The development of 'discourse', understood as "different ways of structuring areas of knowledge and social practice" (Fairclough, 1992), is centrally important since it has ramifications for actual societal structures and understanding which reach beyond language. This is not to reduce everything to discourse or suggest that any discourse supersedes another by merely existing. Broad discourses of knowledge, understanding, and power relations are successful, or not, as the result of a dialectical process where

"the impact of a discursive practice depends on how it interacts with the preconstituted reality" (Fairclough, 1992). A constitutive view of discourse involves "seeing discourse as actively constituting or constructing society on various dimensions: discourse constitutes the objects of knowledge, social subjects and forms of 'self', social relationships, and conceptual frameworks" (Fairclough, 1992). For example the concept of 'the market' as a major organising influence that could be extended into areas like education and healthcare saw major changes in the way administrators organised schools and hospitals in New Zealand. The complete reconfiguration of hospitals and schools as fee charging service providers, and patients and students as paying customers, has been resisted in New Zealand but there have still been major shifts in the understanding of the rights of the patient or student, and how hospitals and schools should function in society. The 'history of the present', referring to Foucault's genealogical approach to discourse (Kearins & Hooper, 2002), can be arrived at through an analysis of how the various historical discourse strands (Jäger, 2001) that make up the "milling mass" of discourse come together through articulation or intertextuality or are pulled apart, or disarticulated, in order to make new discursive spaces. Continuing with the example of 'the market' therefore we can see that in order to promote the concept of hospitals as service providers, and patients as 'customers,' it was necessary to articulate fairness and prosperity as an individual endeavour and to disarticulate the long established connection between society and the welfare state. The main positions in the development of the NZ BSR are represented in popular discourse, and therefore in this study also, by Dick Hubbard of the NZ BSR and Roger Kerr of the NZBRT. The subject position of Dick Hubbard is considered since his public profile was, and is, central to the development of BSR in New Zealand.

The contributions of the NSBCSD and the AEBN are also considered because they were organisations that introduced new discursive elements in terms of language which, in turn, contributed to the construction of discursive formations. Fairclough (1992) notes that a discursive formation is an ideological formation which delineates not only what can be said but also what should be said. Thus the NZ BSR, NZBCSD, and the AEBN have *terminology* in common but embrace different meanings for them. For instance the understanding of the

term sustainability has different meanings to the different organisations. In chapter six there is more detailed discussion of the composition of the discourse of the NZ BSR.

Data for this chapter include primary sources in the form of transcripts of interviews conducted with NZ BSR board members. Of the fourteen members who served on the NZ BSR board over the four years of the organisation's existence, I was able to interview eleven. Also interviewed were Annette Lusk, chief executive of the NZ BSR from 2000 to 2002, and Rachel Brown, chief executive of the AEBN and currently the chief executive of the SBN. These additional interviews were to gain insights into the parallel development of the AEBN which merged with the NZ BSR in 2002 to form the SBN. To construct the chronology of the development of the NZ BSR the board minutes were studied. According to an email (November 10, 1999) included in the board papers there was a question over whether meetings were held in the months of July and December 1998, and May and September 1999. Minutes for the July 1998 meeting were found but there are no known minutes extant for the other months. Supplementary data is drawn from books, newspaper and magazine articles, and transcripts of television and radio interviews.

Organisation of the chapter

The chapter is divided into five sections, the first of which looks briefly at discourses that contributed to the development of the NZ BSR, including the NZBRT position which opposed concepts of BSR, and the early discursive development of BSR proposed by Dick Hubbard. Sections B through E loosely follow the chronological development of the NZ BSR as organisation and identity with attention to key turning points and the political context at the time. Where specific themes are particularly salient they are discussed more fully and textual evidence may be drawn from across the chronological material. Key policy decisions and turning points evident in the data are considered in context because they are crucial to an understanding of how the discourse of BSR shifted over time. BSR shifted to ultimately require a new organisation with a discourse articulating a more topical, ostensibly more easily defined, and possibly more palatable message of sustainability for business, which overwhelmed the

discourse of the original NZ BSR. Turning points for the organisation were not necessarily policy driven but were particular moments that marked a change in direction and sentiment, value judgement and focus. Turning points are important because they frequently mark a shift in the discourse (Fairclough, 1992) and can presage the shift of the organisation to a different value base and, hence, to it becoming a different entity. An important turning point in the development of the NZ BSR for example was Annette Lusk's appointment to the role of Executive Director of the NZ BSR in 2001 which resulted in increased contact between the NZ BSR and the AEBN which is covered in more detail on page 127.

The chronological order of the four major stages in the development of the NZ BSR from 1996 to 2002 was first; pre-launch, 1996-1998; second, launch 1998; third, consolidation 1999-2000; fourth, pre-merger 2001; and finally merger 2002. The first four sections are the largest as the 2002 merger halted BSR meetings. There are no meeting records. Also additional textual evidence for 2002 is limited.

A. Discourses that contributed to the development of the NZ BSR

The primary focus of the chapter is on the development of the NZ BSR but the discursive makeup of other relevant organisations is also taken into account. Of the various discourses that fed into the NZ BSR the principle discourse is that of internationally derived Business Social Responsibility with its various strands. The differing possible approaches to, and reasons for, undertaking BSR have been described at length by Gray, Owen and Adams (1996) and have been covered in chapter three. The discourse of BSR is made up of the three pillars of BSR which cover the economic, social, and environmental. The discourse of the New Right, referring here to the NZBRT, is also important since much of the early discourse of the NZ BSR developed as a counter to the hegemonic position of the NZBRT.

I. NZBRT position on BSR

When Dick Hubbard first announced his intention to establish the NZ BSR organisation in his cereal packet insert *The Clipboard* No. 34 (1996b) he stated: "Its aim—to foster and encourage social responsibility by businesses and to counter some of the opposing arguments" (front page). The very public nature of the confrontations that followed leaves no doubt that the "opposing arguments"

were largely those of the New Zealand Business Roundtable. In this section the position of the NZBRT is outlined to give context to the discursive development of the NZ BSR.

The NZBRT was established in 1984 and its statement of purpose was adopted in 1986. The bulk of the statement of purpose has been summarised by Harris and Twine (1998) and it:

- Commits the Roundtable to "promoting the interests of all New Zealanders concerned with achieving a more prosperous economy and fair society."
- Sees a "healthy and dynamic business sector, generating an adequate flow of profits and investments" as fundamental to the achievement of the "economic, social and cultural aspirations of New Zealanders."
- Sees the Roundtable as taking a "non-partisan and longer term view" of the economy
- Supports corporate integrity and cooperation between management and "individual employees."
- Aims to make a "pro-active, professional and well-researched contribution to policy formation."
- States that it will operate through "approaches characterised by logic, objectivity, and dispassionate dialogue."

In addition the NZBRT maintain that they endorse "the concepts of corporate responsibility" (Roundtable, 2008). The statement of purpose covers many of the major issues that were affecting New Zealand in the late 1990s and indicate where the NZBRT would oppose the NZ BSR. NZBRT opposition to BSR results from differing interpretations of what "private enterprise in a market economy" (Kerr, 1996) should look like. Following the points of the statement of purpose (above) in order part of the concern with NZBRT ideas during the late 1990s was with issues of fairness. The "trickle down theory" proposed by New Right economics and supported by the NZBRT was not considered to be making all New Zealanders participants in a "more prosperous economy and fair society." The NZBRT position that profit was important was not at issue; what was contentious was their position that profit was the only function of business. There was also a perception that NZBRT was partisan in its political position party due to the close links with the Association of Consumers and Taxpayers (ACT) party (Kelsey, 1995). Also the New Right focus on individual rights and responsibilities drove the implementation of the (1991) Employment Contracts Act (ECA) which was widely considered to be a contributing factor to New Zealand's deteriorating employment and social circumstances during the 1990s. Dick Hubbard, along

with others, (Harris & Twinaime, 1998; Jesson, 1999; Kelsey, 1995) have questioned the value of some NZBRT research as well as their claim to be concerned with "objectivity, and dispassionate dialogue." So the two discourses operate as discourses of business in New Zealand. The principles espoused by Dick Hubbard and the NZ BSR do not overtly question the function of private enterprise or the free market but they do suggest alternate ways they might operate. In 1998 Hubbard said: "Along with freedom from government regulation comes moral responsibility for companies to pull their weight" (*The Independent*, p. 21). The points where the NZBRT is in contention with BSR are covered next and generally centre on: the proper role of business in society, stakeholding, and where social responsibilities should properly lie. For instance in a chapter titled *From self-interest to national interest: Altered states of business thinking* (1999) Roger Kerr wrote:

There are also misconceptions about the role of business in society. For example, a common demand is for business or their owners to 'give something back' to the community in which they operate.... Even business people themselves, when engaging in acts of philanthropy, can sometimes be heard using precisely this language (p. 53).

One of those business people Kerr refers to was undoubtedly Dick Hubbard.

II. Proper role of business in society

The first area of contention for the NZ BRT is the *proper role of business in society*. A 1996 speech by Roger Kerr was a comprehensive public statement of the position of the NZBRT on social responsibility and was a turning point for the discussion of BSR in New Zealand. In this speech Kerr begins by suggesting that business is being singled out to be socially responsible because of "current attitudes, at least in New Zealand, towards business and other social institutions." While the "current attitudes" are not defined it can be assumed that they are a reflection of public dissatisfaction with the dominant NZBRT approach to business (Kelsey, 1998). The member CEOs of the NZBRT represented companies with some 80% of the market capitalisation of the New Zealand stock exchange and approximately 10% of the goods and services produced (Harris & Twinaime, 1998). In common with much New Right argument Kerr draws heavily

on economist Milton Friedman and especially his *New York Times Magazine* (1970) article where he said "the proper role of business is to increase its profits."

Kerr goes on to say the NZBRT:

Supports the system of private enterprise in a market economy. We argue that the activities of private business are socially beneficial so long as they are conducted under the rule of law and within a framework of open competition. When subjected to those disciplines, business by and large promotes its interests in a way that promotes the interests of the whole community, and, moreover, promotes the community interest more efficiently and reliably than any other economic arrangement.

The role of business in society is thus merely to operate as a business within the rule of law and by doing so it fulfils its social function. The NZBRT position is that the "business of business is business" (Kerr, 1996) and any attempts to increase the social responsibility of business is linked with misunderstanding of the proper role of business in society. Kerr refers to the history of "moral doubts" over the profit motive and draws on classical thinkers Montesquieu, Hume, Smith, and Weber to assert the moralising and civilising influence of commerce and deny that capitalism promotes greed. The proper role of business is the "Freidmanite" (Friedman, 1970) focus on private profit—which is posited as morally neutral, and that is contrasted by Kerr with the alternative—making a loss. Kerr enhances the contrast with two additional assumptions; one, that the loss is deliberate and two; that the loss is incurred with other people's money. These two assumptions form the premises for the oft repeated NZBRT argument that proponents of BSR are advocating theft from shareholders (*The Independent*, 22 April, 1998). In pursuing profit businesses may engage in activities that are "conventionally described as 'social activities' of business" (Kerr, 1996) like training schemes for the young, environmental initiatives, community activities, and philanthropic acts. These activities, however, remain "discretionary" in that they are to be undertaken only with shareholder approval. In addition if the social activities do not add to profitability then, unless shareholders are willing to accept lower returns, the scope for undertaking the activities is diminished. Business discharges its social responsibility by increasing profits and engagement with BSR might distract the corporation from the only proper endeavour of business, which is to make profits.

Again, in the course of discharging its social responsibilities—the pursuit of profit within the framework of law and ethical custom—the corporation may well be attending to some things considered to be socially responsible. There may be legal obligations that cover the hiring of people with disabilities, affirmative action programs, smoking, sexual harassment, occupational health and safety, and severance pay. The same rules apply to all who operate under the same regime so there is no competitive disadvantage and the debate is about "social activities that remain discretionary." While the focus is on profit Kerr allows that it is possible to define profit more broadly and gives the example of the Body Shop, which supports causes like the campaign against battery hen farming and ethical investment funds which avoid investments deemed to be morally or environmentally harmful. In these cases the managers have a mandate to pursue an expanded version of what they consider to be profit. He also points out that businesses that are solely owned have greater freedom to pursue varied objectives. Kerr proposes the supremacy of capitalism and free markets as the only way to achieve progress and stability in modern society and does not consider other possibilities. There are multiple possible ways of organising business and society so it is not a clear cut decision between capitalism and socialism (Cheney, 1999; Harris & Twine, 1998). That is not to deny that the dominant form of organisation in the western world is capitalism but even within the dominant form there are possible variants (Almond, 1991).

III. Stakeholding

The concept of stakeholding is central to BSR and came under scrutiny by Kerr (1996) who presented it as the "polar opposite" of Milton Friedman's (1970) argument. This black and white approach to stakeholding places it on the left of a continuum of possible positions. Most commentators would consider centralised state socialism to be the 'polar opposite' to Friedman's position and a stakeholder approach to be somewhere in the middle of the continuum, but leftward leaning. According to Kerr the idea that corporations have a responsibility to consider constituencies other than the direct shareholders suffers from a "range of problems." The first problem is that "shareholders would bear the cost of other so-called stakeholders' decisions" (1996, p. 6), with the assumption being that stakeholder representatives would have a place on the boards of corporations.

While this is the case in a highly developed stakeholder society like Germany, which Kerr refers to, there is no indication that the variety of stakeholding subsequently promoted by the NZ BSR in New Zealand is generally anything other than organisation centred stakeholding (see chapter 2).

The second problem that Kerr sees with stakeholding is the possibility of conflict between those who have contributed capital to a business and others, like employees if there is a need to make staff redundant, or local representatives should the business need to close or relocate plants to enhance or maintain profitability. The conflicts engendered would therefore be political rather than economic "risking a reduction in the profitability of the firm and the benefits it bestows on the nation as a whole" (1996, p. 7). Conflict could also occur between individuals who exercise different stakeholder roles as would be possible if an employee had funds invested with a pension or superannuation fund. Kerr gives the example of failed worker control of industry in Yugoslavia where as "employees they undermined their own interests as shareholders" (1996, p. 7) . The Yugoslav experiment is compared to pre-reform New Zealand where state sector enterprises had multiple functions like actively providing employment and training as well as goods and services. Kerr's final objection to stakeholder theory is the supposed difficulty in identifying who should and should not be stakeholders. There are immediate groups, employees, consumers and localities, but in a scenario reminiscent of chaos theory he posits that the actions of a corporation may have impacts on "unidentifiable and unorganised" (1996, p. 8) others who should, but do not, have an input on a corporation's decisions. The expansion of stakeholding in this manner leads to the realisation that the "logical conclusion of stakeholder theory is socialism" (1996, p. 8). From the original premise that corporations "are communities of diverse constituencies, each of which has a stake in the corporation and therefore a legitimate voice in its governance and destiny" (1996, p. 6), to stakeholding as socialism, is to ignore the possible varieties of stakeholding theory and to draw an extreme conclusion.

IV. Where social responsibilities should properly lie

That there are social responsibilities to be discharged is not at issue, but the final area of concern for the NZBRT is where those social responsibilities should properly lie. Following the neo-liberal emphasis on the rights of the

individual, Kerr contends that "only individuals have social responsibilities" and "those who argue that corporations have social responsibilities beyond enhancing shareholder value are mistaken" (1996, p. 10).

To argue his point, Kerr proceeds to query the nature of the modern corporation by pointing out that technological innovation has allowed businesses to move away from traditional organisational structures based on transaction cost economics and the aggregation of individual producers into different business organisations such as corporations. The modern corporation is based more on outsourcing, franchising, and contracting out and individual contractual relationships shift the focus from traditional feudal master-servant relationships of employee/employer. The freedom of a contract relationship allows each individual to negotiate "an infinite variety of contracts with other businesses" which leads to the reduction of transaction costs which were unsustainably high under the "socialistic command and control mechanisms in the workplace" (1996, p. 11).

The relationship with social responsibility is that the entity that is the corporation is replaced by an artificial organisation made up of a web of individual contracts. Social responsibility is then necessarily, and properly, devolved to individual initiative. Kerr then articulates the idea of corporate social responsibility with the "feudal, pre-contractual origin of the corporation" and the "master-servant employment relationship with its implicit exchange of loyalty and paternalism" (1996, p. 11). Kerr then goes on to reinforce the responsibility of the individual by claiming that the modern tendency is to assume that individuals are not responsible for their own actions and to place the blame on society, psychological makeup, or genetics when anything goes wrong. Assuming that corporations have social responsibilities is merely yet another way of avoiding individual responsibility.

The argumentative strands employed by the NZBRT consist of selective reading of philosophers of the Enlightenment and other commentators on economic and moral issues, people such as Milton Friedman, neoconservative Catholic theologian Michael Novak, and even Pope John Paul II. The NZBRT discourse positions BSR as unprofitable, unethical, unbusinesslike, socialist, and therefore outmoded. Providing counter positions to these arguments was a major

rationale for the development of the NZ BSR. In a speech (1997) Dick Hubbard said:

The economic purists who are opposed to stakeholder theory often quote Milton Friedman and the famous Adam Smith's "invisible Hand." These learned economists certainly did revolutionise thinking and made a major contribution to economic understanding in their time. However, times have moved on and what was appropriate in the past is not necessarily appropriate in the future, or even in the present.... we have to realise that our hopes, values, aspirations and our whole approach to economic structure is very different to that even of 10 to 20 years ago. In other words, the economic arguments and economic theories of the past should not be relied on to define the economic path of the future.

The discursive struggle over which position properly represents business has Kerr reaching back to attempt to articulate BSR with socialism (Kerr, 1999) while Hubbard articulates BSR with 'new paradigm' thinking.

The public roles of the two main protagonists are important to mapping out the discursive terrain. Because he was executive director of the NZBRT Roger Kerr was the public face of the organisation and, to all intents and purposes, Roger Kerr *is* the NZBRT to many New Zealanders. He was also the owner of the nationally known cereal brand, Hubbard Foods. The extent to which Kerr represented all NZBRT members' views has been questioned (NZCTU., 1999; Revington, 1998). However; the NZBRT always maintains a unified front (Harris & Twiname, 1998) so the public addresses of Roger Kerr represent the NZBRT view. As Roger Kerr was the face of the NZBRT Dick Hubbard fulfilled the same function for the NZ BSR although Hubbard occupied multiple subject positions (Fairclough, 1993).

V. Dick Hubbard, NZBRT and the early discursive development of the NZ BSR

Dick Hubbard was the most high profile of the founders of NZ BSR and had already attracted the attention of the NZBRT because of his well publicised stance on staff relations and, as interview subject Richard Keene noted, "his marketing of those staff relations" (personal communication, March 9, 2007). Hubbard himself put his interest in BSR down to his background; growing up in small town New Zealand with community values and his experiences in the industry (Breuer, undated). Prior to starting his own company he had experience

working on a New Zealand government and United Nations project in Niue helping to set up a processing factory. He also worked for another Auckland based food company which had the single minded aim of maximising the return to shareholders". Hubbard established his own company in 1988 and after a close call with insolvency he also said that his experience of hard times was also to have a defining effect on thinking about the role of business. His subsequent benevolent approach to his employees and the functioning of his business meant that the philanthropic impulse he symbolised was a large part of the discursive identity of the NZ BSR.

Hubbard initially explored the concept of BSR through his *Clipboard* inserts in his cereal packets, specifically numbers 30 and 34. He writes about his experiences in the food industry and the idea of businesses having a 'soul'. In *Clipboard* 30 under the heading *Companies With a Soul* he talks about Hubbard Foods' employment policy and contrasts that with another company that had proudly announced layoffs as a result of an investment in new equipment. There he makes explicit reference to the NZBRT and the idea that labour is merely an 'input' in business: "Our philosophy on employment at Hubbard Foods Ltd. is simple. We are proud of creating jobs and we want to create more! We see job creation as part and parcel of our 'social contract'." By articulating social responsibility with good business practice and the need to demonstrate the common sense approach of Hubbard Foods to employment and work is evident as Hubbard sets up possible objections to his stance in order to rebut them:

Don't get me wrong here—we also run what we believe to be an efficient ship. Everyone here at Hubbard Foods works hard, very hard. We believe in the old fashioned work ethic and we don't have a 'padded' workforce. We don't believe in wishy-washy soft job creation. We do have, and have to have, labour saving equipment. (Hubbard, 1996a)

He concludes with: "We will never, ever announce with pride and fanfare a reduction in our workforce!" The discursive positioning at work here is to identify Hubbard Foods, and therefore Hubbard himself, as first and foremost a businessman concerned with efficiency and hard work. His emphatic denial of "soft job creation" neutralises the NZBRT attempts to associate BSR with social welfare policies of pre 1984 New Zealand where job creation was a part of the mandate of state run organisations like the post office and rail networks (Jesson,

1999; Kelsey, 1995). This extract also demonstrates that the development of the discourse of BSR is dialectical as Hubbard attempts to position the concept as operating within the discursive formation of 'proper' business and to do so he is required to engage with the preconstituted social reality of what a proper business is.

A major turning point was when Hubbard attended the US BSR conference with Rodger Spiller. After returning Hubbard announced, in *Clipboard* 34 his intention to set up a New Zealand version of the BSR. The clipboard begins with: "I'M ON A HIGH! I've just returned from Los Angeles where for the last three days, I've attended the Annual Conference of the American "B.S.R." (Businesses for Social Responsibility). What an experience!" He goes on to describe the event and his understandings from it:

The overall message? Well there were two for me. Firstly, very definitely, socially responsible business will increasingly be the way of the future. And what's more, socially responsible business will, long term, be good business and will be in business owners' interest also. The second message—that the Roundtable-type view, of separating profit distribution from social responsibility—is outdated. (Hubbard, 1996b, front page)

Again there is explicit reference to the NZBRT and in this passage we see three themes that are common in the discourse of BSR. The first theme is the 'future' which is the starting point for 'new paradigm' business leadership. The counterpoint to this position is the "Roundtable type view" where an attempt is made to disarticulate the NZBRT from being modern or forward looking. Also introduced is the idea of the 'journey' (Milne et al., 2006) with SR business yet to be achieved. The second idea is of "win-win" for business; business can be socially responsible and profitable. The third idea, which is especially prevalent in the development of the New Zealand discourse of BSR, is to occupy a position contrary to that of the Business Roundtable. "The business of businesses is more than business" (1997) was a common refrain from Hubbard and is an intertextual rephrasing of the NZBRT slogan of "the business of business is business." While Hubbard's phrase neatly encapsulates the NZ BSR position it also sets them against the NZBRT and therefore represents part of the discursive power struggle (Fairclough, 1992). The focus could have been, and eventually was, in a different message to promote BSR, "socially responsible business is better business," but

Hubbard's phrase was frequently used and indicates the intricate connection of the discourses of the NZ BSR and the NZBRT.

As a result of his public profile during 1997-1998 over 250 people wrote letters of support to Dick Hubbard for the concept of a BSR organisation and expressed support for Business Social Responsibility generally. Support for BSR, either the organisation or the concept (65 letters), was associated with opposition to the NZBRT. Comments included: "I find the policies of the Business Roundtable abhorrent and support your attempts to set up an alternative organisation" (22 May, 1998); "The days of the Roundtable like view are definitely numbered" (02 April, 1998); and "As long as our Governments (sic) decisions are influenced by the B,Rt, (sic) the future for us ordinary New Zealanders looks bleak" (02 April, 1998). Many of these writers (93) also strongly associated the Hubbard brand with the concept of BSR. Of the hundreds of letters sent to Hubbard more than 50 wrote to express support for BSR as a direct result of the cereal box inserts and 10 commented that the publicity associating Hubbard's and BSR had influenced them to buy the cereal. It was a pre-election year with the incumbent National government having been in power since 1991. In an article entitled *Rounding on the Table* (Revington, 1998) the columnist commented that the traditionally conservative Wellington newspaper *The Dominion* had "chided" Kerr for a speech he gave to Auckland commerce students. After noting that the content of the speech was nothing new: "Just the standard Kerr line trotted out a hundred times before to anyone who will listen: companies have no 'social responsibility' beyond making as much money as they can." Revington goes on to point out that the position of Roger Kerr and the Business Roundtable is increasingly out of touch with the economic realities of the time. He also comments that *The Dominion* article questions whether all the members of the NZBRT actually agree with Kerr's hard line view considering the philanthropic contributions members make. He goes on to say that Kerr's pronouncements are tinged "with an edge of hysteria" now that: "Someone, a businessman no less, has had the temerity to actually question the Kerr view of economic reality" (p. 84).

Discontent with the Roundtable's view of the world went beyond business columnists and members of the public who wrote to Dick Hubbard. In a piece

entitled: "National Squares off with the Business Roundtable" New Zealand Herald columnist Fran O'Sullivan pointed out that the National party was frustrated, "at being publicly bashed for its failure to press ahead with the full ambit of the centre-right policy prescriptions advocated by the Business Roundtable." The editorial went on to point out that there was a perception in political circles that the Roundtable had adopted a "formulaic approach to public policy initiative" and that there was a proposal to establish an alternative, "centre right policy think tank." O'Sullivan also refers to: "Kerr's Jesuitical approach-and the extraordinary carping negativity of former Business Roundtable chairman Doug Myers" (1998, p. 2). Under the headline, "Businessman plans Roundtable Rival," *The Wellington Evening Post* reported that: "An Auckland businessman plans to set up a new group to challenge the Business Roundtable's view of social policy" and Hubbard is quoted as saying: "I'm very concerned about the approach of the Business Roundtable" (Bedford, 1997, p. 13). His concern was because of the Roundtable belief that social concerns could be left to voluntary welfare agencies and their support of "trickle-down" economic theories. Hubbard also said that: "Socially responsible business is good business" and that socially responsible business added to stability and profitability. In the same piece Roger Kerr of the Roundtable claims to be "frustrated" with Hubbard for declining to debate the basic issues, which is consistent with the NZBRT discursive strategy of claiming to promote objective and well researched argument as opposed to others lack of rigour. The position of the Roundtable was that it "encouraged businesses to be good employers" but the primary role of business was to provide goods and services at the cheapest possible price and if businesses didn't make profits then that was a waste to New Zealand.

The publicity surrounding the proposed launch of the NZ BSR meant that Dick Hubbard's profile increased. In the board papers it is noted that from January to mid April 1998 Hubbard gave 18 speeches all over NZ with a further 50 booked up to November of that year, sometimes with two speeches booked in one day.

In an interview with Linda Twiname in the book *First Knights: An Investigation of the New Zealand Business Roundtable* (Harris & Twiname, 1998) Dick Hubbard said that he thought NZ BSR should be "pro-active, commissioning

research and going out and taking positions" (p. 156). Such an approach would have made the NZ BSR function in a manner similar to the NZBRT but at the inaugural meeting of the NZ BSR steering committee (16 February, 1998), that position had changed. The minutes note that; "it was agreed that active lobbying in a political sense would not be a current strategy". Also deciding not to take a "pro-active" position was reinforced by advice received from Teresa Harris of the US BSR who wrote: "Ceased lobbying—this was a big turning point. Found that unable to develop an agreed position across the membership base on public policy issues and also in putting energy into lobbying failed to deliver added-value products to members" (April 16, 1998). Whilst this neutral stance was a consistent feature of the NZ BSR it proved to be frustrating for some BSR members who, as the organisation matured, wanted to move beyond the information and networking function. It also contributed to the discursive positioning of the group as once the heat and light of the initial NZBRT opposition had faded the organisation was left to constantly redefine itself and its purpose. In Harris and Twinaime (1998) Hubbard defended the proposed NZ BSR group as not being specifically anti NZBRT. In response to a question asked about the proposed structure of the NZ BSR: "Does that mean you're getting inspired by the New Zealand Business Roundtable in the stance that you are taking?" Hubbard stated:

Yes, I think so. Although I think it's very, very important that the NZ BSR is not being set up as a specific anti-Roundtable organisation. It's got to be a positive thing, and it's got to be looking at all aspects of social responsibility.... What's tended to happen is that there's so much anti-feeling against the Roundtable that people say, 'oh marvellous, you're going to have crack at the Roundtable' out go the headlines, and that's classic. I never said that. I never said that at all, I've never used the word 'rival' to Roundtable. That created headlines up and down the country. So I've actually been going around saying 'we are not rivalling the Roundtable and we are not being set up to push a contrary view. The picture is a lot wider and broader than that. (p. 157)

The interview paradoxically focuses on the NZBRT and points of difference when it is Hubbard's stated intention not to oppose the NZBRT. In a piece in *The Independent* newspaper Roger Kerr said:

Hubbard has stated: "I am certainly not opposed to the Business Roundtable and I applaud some of [its] well documented research work. He has also made it clear he has had no disagreements with the Roundtable on the issue of business

ethics. His routine references to our alleged views are, therefore, something of a puzzle, apart from their obvious value in suggesting a punch-up to gain media attention. *"Roundtable throws down the gauntlet to Dick Hubbard."* (1998, p. 11)

As a result the NZ BSR was both enabled and constrained by the NZBRT. The NZBRT provide a neatly delineated discursive space for the NZ BSR to occupy as an alternative group, despite Hubbard's protestations to the contrary. The obvious public support for his position meant that Hubbard could be confident his group would prosper. The focus longer term was on enacting social responsibility in business but the initial discursive construction of the NZ BSR was very careful to take into account the position of the NZBRT and respond to specific points. The stated motivations for the development of the NZ BSR were: interests in the US version of BSR, the win-win philosophy of being a better business by being socially responsible, and concern over the direction of the NZBRT in New Zealand. The concluding paragraph of the front page of *Clipboard 34* reads:

The winds of change however are blowing! And to help this process I'm going to, over the next few months, aim to set up a "New Zealand Businesses for Social Responsibility" organisation. It won't be American, it won't be extreme. It will be a New Zealand organisation for New Zealand companies. Its aim—to foster and encourage social responsibility by businesses and to counter some of the opposing arguments. (Hubbard, 1996b)

Dick Hubbard's public pronouncements did not go unchallenged as the NZBRT brought quite a bit of pressure to bear on Hubbard. When interviewed Hubbard said:

He played pretty grubby. Roger [Kerr] argues that he's an intellectual and that he is only arguing on an intellectual level, playing the issue not the man. But at the end of the day he did play the man too. He poured scorn and derision on me, had a go at discrediting me and some of the things he said were decidedly un-academic.

You must have been resolute in your views to face up to him.

Yes, I know they employed a PR company, who had a go at discrediting me. So there were a few tactics, they did see me as an enemy of the state there for a while.

Do you see it as...

I'm not being paranoid

No, no that ideological division, they (NZBRT) see it as, as far as I can see, as a retrograde step back into socialism or something like that.

Exactly, yes. They were determined to fight it at all cost and one of the things he threw at me was that I was impinging on the integrity of New Zealand companies and I had to issue an unqualified apology for that. That there might be legal action if I didn't. So it was a bit heavy there for a while.

I never realised

That was I guess only probably only for a year-18 months transition period. It's certainly not there now (Hubbard, D., personal communication, March, 11, 2004).

The depth of feeling and vigour with which Roger Kerr and the NZBRT opposed Hubbard and the NZ BSR is evident not only from this recollection from Hubbard but also in the tenor of the speeches and publications put out by the NZBRT. Hubbard, however, was not the only high profile businessman to hold views contrary to the Roundtable. Businessman Hugh Fletcher had "fundamentally different views from the Roundtable" (Harris & Twiname, 1998) and despite the apparent unanimity of purpose displayed by the public face of the NZBRT it was not certain Roger Kerr had universal support from his own members. Aluminium manufacturer Gilbert Ullrich said of members of the Roundtable: "Oh yes, they call me up. They don't all think like Roger Kerr" (Revington, 1998). In an interview with Linda Twiname (1998), associate NZBRT member Rosanne Meo pointed out that: "it is a significant misconception that the members rigidly adhere to all policy" (p. 31). The NZBRT is doubtless like any other organisation with different views expressed by members but examples of public disagreements are difficult to come by.

B. Development of the NZ BSR. Pre-launch steering committee

The first phase, referred to here as 'pre-launch', covers the period 1996 to 1998. During this period Dick Hubbard and others were exploring what was happening with business social responsibility internationally as a result of the

influence of international developments. The predominant discourse of BSR was derived from the international BSR movement but came mainly from the US BSR discourse. The US BSR discourse was composite, complex, and evolving and articulated various historical ideas of business social responsibility (see chapter 2 for a full discussion). According to the *Fact Sheet* (website BSR.org., 1998) under the heading "What is Business for Social Responsibility:" the organisation provides assistance to "companies seeking to implement policies and practices which contribute to the long-term, sustained and responsible success of their enterprise and which fairly balance the competing claims of key stakeholders, their investors, employees, customers, business partners, communities, and the environment."

While the term Triple Bottom Line, defined in chapter three, is not explicitly used the fundamental ideas of stakeholding and multiple accountabilities is evident. In the next section of the fact sheet titled "What are BSR's areas of expertise?" a summary is offered of the areas of interest to BSR. These include "issues related to audits and accountability, community involvement, the environment, ethics, governance, human rights and the global economy, the marketplace, and the workplace" (BSR fact sheet, 1998).

Additional areas of interest were noted in the record of a 1998 conversation between Kerry Griffiths and Teresa Harris, an administrator for USBSR. These were; socially responsible investing, diversity, volunteerism and work/family/life balance. As can be expected, when one organisation models itself on another, most of these areas of interest show up in NZ BSR texts as discourse strands. From 1996 on the Business Roundtable also began to take an interest in the topic of BSR with publications, visiting experts, and speeches which developed the main NZBRT arguments against BSR.

I. Inaugural meeting of the NZ BSR steering committee

An important turning point in the development of the NZ BSR was the inaugural meeting of the steering committee in February 1997. The group consisted of Kerry Griffiths, Dick, Hubbard, Rodger Spiller, Wes Brown, Lauren Maser, and Richard Keene. The minutes show the proposed aim of the group was "to foster and support social responsibility in business and to counter some of the opposing views." The proposed objectives of the group were:

1. Networking- providing networking opportunities and support for and with New Zealand businesses who want to develop their capacity to be socially responsible.
2. Resource Base – to gather, develop and provide information and materials on the many aspects of social responsibility for member organisations to educate and assist them in pursuing a socially responsible agenda. To build and share examples of socially responsible business within New Zealand and internationally.
3. Lobby Group - to comment publicly on issues related to the responsibility of business to actively pursue a social agenda (p. 1).

The minutes go on to note; "there is a danger in getting drawn into an anti-business Roundtable debate," and the need to promote a dialogue around social responsibility and how we can "change the face of business in the future" (p. 2).

It was decided the focus was to be on promoting socially responsible business and lobbying would not be pursued at that point. The identity of the organisation had somewhat tentative beginnings illustrated by a brief note on what messages the group would communicate to the public, or how they would "refine the sound bites" (p. 2). The three messages proposed are the:

- purpose of business—not just about making money, but about where you put your focus?
- why are we here? why are we different? how are we doing it in New Zealand?
- by business for business

In keeping with the last point the steering committee decided that membership would be restricted to business, an issue which was quickly tested in the life of the organisation as there were numerous requests for membership from non-business groups and individuals. While the group modelled itself on the US BSR, which was supported by business giants—Ford, Shell, 3M—it proved more difficult to secure the backing of large corporates in New Zealand.

There were differing motivations for the various board members involved in the NZ BSR but there was a degree of commonality in that one of the major themes was a concern for employees, which was a result of the experiences of board members. Wes Brown, then managing director of Datamail, had 4-500 employees with 250 of them in a concentrated geographical area. Hubbard Foods employed approximately 80 people and the business was growing. Employee issues were also the main concern of Richard Keene (at the time managing director of Marsanta Foods). Wes Brown stated that there was, "strong awareness that the progress and health of our company was very linked to the progress and health of the community which we operated in" and that there was a "sense of

connectedness, so I think those sorts of things drove me to have a look at this" (personal communication, February 22, 2007). Another board member, who does not wish to be identified, also recognised people issues to be most important as and the rationale was:

Organisations talked out of two sides of their mouths. They would have their mission statements or whatever up on the wall and it was all very lofty and wonderful, but when it came to how those same companies treated their employees, it was very different. (Personal communication, March 7, 2007)

And of course Dick Hubbard was well known for his staff relations as he had taken his entire staff on a trip to Tonga during the Queen's birthday weekend holiday in 1998 (June). One of the board members who served after the establishment of the NZ BSR (July, 2000) was John Williams, chief executive of PEC in Marton, New Zealand. Williams said: "One of the key areas I'd wanted to concentrate on was the way in which you treat your staff members at PEC" (personal communication, March 8, 2007). PEC manufactured petrol pumps and personal access control equipment and employed 250 people in New Zealand with another 50 overseas. The concern with the proper treatment of staff, and the subsequent ability to retain and recruit good employees is one of the arguments commonly offered as a justification for engaging with BSR. John Ferner of Brookfields Law, who joined the board in 2001, identified staff training and retention as one of the biggest problems facing his firm, and the law profession generally, and thus was his main reason for becoming involved with BSR. Brookfields Law had great success in training a diverse range of people to become legal secretaries and other administrative staff. A concern for community and staff was also the most common perception of what the NZ BSR stood for as an organisation. Rachel Brown of the AEBN saw the NZ BSR as concerned with: "a lot more about people issues, to do with equal employment opportunities and treating your staff well and all that kind of stuff" (personal communication, March 15, 2004).

The motivation for Kerry Griffiths and Rodger Spiller to become involved was that, as well as being involved in business, as a consultant and investment advisor respectively, both were following academic interests in the field of social responsibility. Spiller's research was important to the NZ BSR as it provided a

useful blueprint for action in the form of sixty best practices of socially responsible business. Rodger Spiller had accompanied Dick Hubbard to the US BSR conference in 1997 and Kerry Griffiths made contact after seeing an article about Hubbard's intention to set up a business responsibility group. Griffiths, based in Wellington, had done her Masters through the University of Bath in the UK (Griffiths, 1999). Griffiths was responsible for getting fellow Wellingtonian Wes Brown, CEO of Datamail, involved.

The second meeting of the steering committee (March 16, 1998) began to focus on the working of the group with discussions on "How we will work together" (minutes, item 2) and, Item 3, the "Vision" of the group. The vision is "Advancing NZ Through Socially Responsible Business," with a scale of how they hope to achieve this. The scale was "1-10 with 1 being 'softly, softly' and 10 being 'strong activism – we aim for 6.'" The vision statement goes on to record Visioning Notes/thoughts:

- socially responsible (sic) business is good business
- positiveness /doing good
- warmth; nice people; good will
- active – vibrant
- peer support; shared ideas
- not reactive
- changing the face of NZ through socially responsible business to positively impact behaviour

Sound-bite "Socially responsible business is not about avoiding the hard decisions."

Already the focus on "countering some of the opposing arguments" was getting left behind as by this stage the two sides of the BSR debate had been well publicised. The ideological clash was still alive but the group was focusing on the nuts and bolts of what would be delivered to prospective members. At this meeting any notions of opposition had been modified into the positive "not reactive" and "changing the face of business through socially responsible business to positively impact behaviour." In fact the objective outlined in the first steering committee meeting, "to counter some of the opposing arguments" is not encountered again in the NZ BSR board papers. The headline slogan "Advancing New Zealand through Socially Responsible Business" is adopted instead and used over the remaining life of the organisation. The ambiguous final line "Socially responsible business is not about avoiding the hard decisions" indicates that the

group perceived it may be portrayed as being 'soft' and echoes the attempt by Hubbard in *Clipboard 30* (Hubbard, 1996a) to present his business as a no nonsense business. A concern for action is evident in the meeting notes as under "*Discussion*," item 6, "Fundamental principles" it says "as an organisation we need to "walk the talk"; be conscious about what we do" and, "look at and learn from others we know are socially responsible e.g. Body Shop." Under the same heading it also says, "need to be careful not to be subverted from main purpose," indicating a conscious decision by the group to move away from the oppositional role. The group helped to focus their attention on being a positive voice for BSR by instituting a "penalty jar (gold coin)" for members who mentioned the NZBRT (board papers). The role of Dick Hubbard in the development of the group is also briefly discussed at the March meeting. Under the final Item (7) in the minutes it notes that "Dick keen not to mix identities of Hubbard Foods and BSR. Opportunity for sharing of the public speaking role with other memebrebrs (sic) of the group ... *Action*: Dick to distribute speech notes and speaking schedule. Invite others to be involved in speaking engagements when appropriate."

The identification of Dick Hubbard with BSR was both positive and negative for the NZ BSR. Positive because the group received a higher profile as a result of Hubbard's involvement, but negative because of the public identification of Hubbard as the central, and largely only, figure behind NZ BSR. Other board members were to make important public appearances explaining BSR but there were constant reminders that Hubbard was the most prominent figure of the NZ BSR group. Hubbard's offer at the board meeting to invite others to be involved with the speaking engagements seems to have had limited take up. Hubbard's enthusiasm for BSR was a driving force in the establishment of the NZ BSR group. At the next board meeting (April 23, 1998) there was a reconsideration of the role Dick Hubbard was to play with the note (under Item 4) that:

Dick to take on/continue with 'figurehead' role. Move focus to 'Chairman of New Zealand BSR' while accepting that the link with Hubbard Foods is a strong part of the credibility factor" and will not establish others in 'figurehead' role - may consider at a later stage as organisations and contacts evolve.

Making a general comment on Hubbard's figurehead role, one of the board members, who wishes to remain anonymous, said: "Dick made it very clear that

he wanted to do that [public speaking]; he wasn't too eager to share that with anybody else" (personal communication, March 7, 2007). There was an ongoing discussion over Dick Hubbard's profile and how it was affecting the NZ BSR with the positive and negative aspects noted. A values session was held on June 10, 1999 and Hubbard's involvement was noted as: "Strength. Dick's leadership/public profile. Weakness. One man band. Perception that BSR is Dick. Dependency on Dick." Also in the "*Monthly NZ BSR Management Report to Board*" there was feedback from Mike O'Donnell, the chief executive of AMP insurance and a corporate member of NZ BSR:

Mike sees the Hubbards/ NZ BSR connection as both enabling and restraining. Enabling because of the connection to an already existing body of people who are interested in SRB; restraining because those people are not seen as part of the business mainstream (I think he means big business), and can easily be dismissed as inconsequential. (p. 3)

Hubbard was seen as the face of NZ BSR and was conscious of his profile. As noted in the minutes:

4. Finances .

Dick spoke of his concern about BSR'S financial situation. As he sees that BSR cannot afford to fail, and it is only a matter of time before that faith will prove justified. Dick has offered that Hubbards will continue to underwrite BSR for a maximum of another 12 months. Dick is wanting to create the balance between a safety net, and the spur to get more members. There was considerable discussion about the implications for Dick, for Hubbards, for BSR, for the role of the chair, and governance generally. Dick is concerned that his role as 'underwriter' does not unduly invest himself or his other roles with any more authority than they would have otherwise. The Board expressed their grateful thanks to Dick for his contribution. (NZ BSR board minutes, June 10, 1999)

Hubbard's concern that the NZ BSR "cannot afford to fail" came when the group no longer officially described itself as "countering some of the opposing views" but the inference is that the continued existence of the group was symbolic proof of the need and desire for an alternative business group.

II. Debate

A major turning point during the pre-launch phase was a televised debate held at the Plaza International hotel in Wellington (July 24, 1998). The event was

notable in that over 500 people attended, which was a huge turnout for a business debate (Brown, W, personal communication, February 22, 2007). The teams were Roger Kerr, Executive director of the Business Roundtable, Richard Prebble leader of the Association of Consumers and Taxpayers (ACT) political party and commercial lawyer Stephen Franks. The opposing team was Dick Hubbard, business strategist Roland Metge, and health and safety consultant, Melissa Clark Reynolds. According to a newspaper report, the adjudicator, broadcaster Ian Fraser "diplomatically avoided declaring anyone a winner, and the audience reaction indicated support for the contesting camps was roughly equally split" (DuFresne, 1998, p. 22). Du Fresne positions the debate as a 'shootout' which emphasises that the clash was over ideological high ground and what was possibly at stake was a new order of things. In another piece Du Fresne also said:

New Zealanders are essentially pragmatic people who have a healthy suspicion of ideologies, whether of the left or the right. And they're not altogether stupid: they can see that the new political and economic environment has not only failed to deliver the promised brave new world, but that it has spawned a whole new culture of greed, humbug and parasitical opportunism. (DuFresne, 1988, p. 4)

The pre launch phase is dominated by the public profile of Dick Hubbard and his speeches, and radio and television interviews. The predominant discursive themes for the NZ BSR were as identified above: the business of business is more than business, and that the Business Roundtable approach was out of step with the times. These themes were strongly resisted by the NZBRT as they attempted to articulate Hubbard himself with criminal activity, and the BSR movement as irresponsible with its advocacy of stakeholding and values based approach to business.

III. Launch

The official launch of the NZ BSR occurred on August 13, 1998. The speaker line up was: Dick Hubbard, the Honourable John Luxton (Minister of commerce), Stephen Tindall of the Warehouse (keynote address), Rodger Spiller, and Kerry Griffiths. John Luxton welcomed the new organisation and its goals and noted that business had gained "negative connotations in the minds of too many New Zealanders" (Luxton, 1998) which is an intertextual reference to Roger

Kerr's (1996) speech. He also said that government "would value your organisation's independent analysis of the policy issues of the day in a manner similar to that of other groups representing the business sector." The appearance of a government minister at the launch validated the group as a business group in New Zealand and the National Party subsequently showed some interest in the NZ BSR group with Prime Minister Jenny Shipley visiting Dick Hubbard at his Mangere factory to talk about BSR. Also in his address John Luxton commented that he thought the aims of BSR "are common sense, and I believe followed by very many of our businesses." Whilst positive overall, Luxton's address, with the 'common sense' appellation, positions the NZ BSR in the more conservative realm of BSR. He also said he thought there were already many businesses operating in a socially responsible manner indicating a preference for a 'business as usual' approach.

The keynote address delivered by Stephen Tindall of the Warehouse was "Socially Responsible Business is Good Business" which outlined the rationales for undertaking BSR followed by some New Zealand case studies, which included the Warehouse and the Fisher and Paykel home appliance group. Rodger Spiller spoke about "The Practices of Socially Responsible Business" which formed one of the four P's of new paradigm business (see Chapter 2, Figure 1, p. 28). The 'Practices' are derived from his PhD research which listed socially responsible business practices under the headings of *Community*, *Environment*, *Employees*, *Customers*, *Suppliers*, and *Shareholders*. The message delivered by Kerry Griffiths was the slogan of the new organisation which was "Advancing New Zealand Through Socially Responsible Business." Griffiths also outlined the group's plans to provide information and networking opportunities. The launch was a milestone for BSR in New Zealand as it received media coverage, though not to the same degree as previous airings of BSR ideas had attracted.

While the position of the NZBRT on business social responsibility is well documented there was also discontent from within the NZ BSR camp. Richard Keene, one of the original members of the steering committee had left the group. The minutes of the meeting held May 27, 1998 note that: "Richard Keene has tendered his resignation from the steering group due to business commitments." The real reason for his leaving was because of perceived distortion of direction.

Keene felt that the cause had been hijacked for the self promotion of people involved in the organisation (Keene, R., personal communication, March 9, 2007). When asked if he felt that the NZ BSR affected the New Zealand business landscape he replied: "Possibly affected is too strong a word, I think maybe nudged or tilted it in the right direction, I felt that after a while it got hijacked." He went onto say:

I think it got hijacked by people who had another agenda perhaps. That's where it started, I felt the proper role for it was with business, that was what it was about, it was business, and the role business can play and how business could be socially responsible, and pretty soon it came to be a lot of people participating who weren't actually in business. Whereas those people may have had a part to play in the whole social responsibility landscape in New Zealand within the particular organisation, but I felt they were subverting from its true purpose.

The development of the NZ BSR was predicated on it being a business group for business, as noted at the original steering group committee meeting. Richard Keene was not only concerned that the focus of the NZ BSR had been compromised; he was also concerned it was also merely a marketing ploy for many that signed up:

Well I think I saw it from two sides that I remember at that first, at the big launch meeting. And looking around the room and seeing people, and from the food perspective there were a lot of people, and I'm thinking, well you really don't give a stuff about, you know, being socially responsible. All you are concerned about it is your bottom line, and you would screw anyone blind. And here you are signing up for this. (Keene, R., personal communication, March 9, 2007)

1998-1999 was a turning point in the establishment of environmental and values based organisations because this period saw the revival of the Auckland Environmental Business Network (AEBN), the establishment of the New Zealand Business Council for Sustainable Development (NZBCSD) and the New Zealand Business Centre for Ethics and Sustainable Development (NZBCESD). The AEBN was revived primarily by Rachel Brown aided by Chris Morrison of drinks company, Phoenix Organics. The organisations that made up the EBNs had been in existence in the early 90s but not all had been able to support themselves financially, and so had eventually faded away. The organisations that remained

were the Auckland, Waikato, and Bay of Plenty EBNS. The NZCBESD was founded by Dr Rodger Spiller as a partnership between the Auckland University of Technology (AUT), the University of Auckland, and the Manukau Institute of Technology (MIT) with private sector support from the Tindall Foundation, David Levene and other sponsors. The NZCBESD initiated New Zealand's first annual business ethics awards with the first award made in 1999. The idea of business ethics being awarded was so novel that when Rodger Spiller announced the presentation of the first award at dinner it was met with laughter (personal communication, April 4, 2007). Rodger Spiller also joined the board of Transparency International which was opening an office in New Zealand (NZ BSR board minutes June 10, 1999). The profile Rodger Spiller achieved around issues of business social responsibility, socially responsible investment and business ethics made him one of the pre-eminent academic commentators in New Zealand.

Also during 1998 Dick Hubbard attempted to get some high profile business people on the board of the NZ BSR, namely Stephen Tindall of The Warehouse and Dr Kathy Garden of Fletcher Challenge. Neither joined the board and both subsequently appeared on the board of the New Zealand Business Council for Sustainable Development, as did Dick Hubbard. The development of the NZBCSD (formed in May, 1999) had a considerable influence on the NZ BSR as it had to rethink its identity. The original conception of the NZ BSR had been as an organisation for businesses only and the board had been hopeful of attracting a number of larger businesses. The board minutes of June 25 (1998) note the need to recruit "2 more board members (high profile corporates?)." The NZBCSD which was membership by invitation only, along similar lines to the New Zealand Business Roundtable, effectively established that organisation as the pre-eminent values-based organisation for larger businesses in New Zealand which impacted on the ability of the NZ BSR to attract higher profile board members. Dick Hubbard's experiences on the board of the NZBCSD also appear to have gradually shifted his thinking on where environmental matters ranked as one of the pillars of BSR. In an interview Rachel Brown said:

I remember the first time I met with Dick, he said look, or us ... saving the whales is way less important than saving the children.... He used to say that stuff. You won't hear him say

that anymore, he's changed in his way of thinking. (Brown, R., personal communication, February 21, 2007)

After the successful launch of the organisation the rest of 1998 was enthusiastically embraced by the NZ BSR with a drive for more members; a road show planned for Christchurch; regional liaison members appointed for Tauranga, Christchurch, Wellington and some board members intending to attend the US BSR conference in November. The new organisation was not completely formed, or operational, however, in that there were concerns aired by National Business Manager Karen Staines in a document titled: "*Managing BSR – Questions and Observations*" (September 9, 1998). The operational problems concern administration but the identity issues are reflected in questions Karen Staines had about internal organisation. Under section 1 she asks: "Who are we generally trying to communicate with and why?" and: "What is our message to these particular people?" The concern over the lack of focus and direction resurfaces several times with various members and illustrates an organisation that was never entirely comfortable with its own identity.

Apart from Dick Hubbard's links with the NZBCSD and Rodger Spiller's multiple other links, the new organisation was also beginning to develop network opportunities. In the minutes (October 22, 1998) there was a proposal from the Waikato Environmental Business Network (WEBN) for a closer working relationship. Kerry Griffiths prepared a discussion document on the proposal that emphasised the perceived differences in the groups. While acknowledging that the NZ BSR had, as part of its stated purpose, a focus on the triple bottom line which included environmental responsibility and took into account "long term ecological sustainability" she asks: "How do we deliver on this?" After noting that the NZ BSR group has "limited in-house knowledge on the New Zealand environment" Griffiths goes on to say in her recommendations that: "We first need to be clear on our own product and service delivery aims and preferred approach." She then considers several possible ways the organisations could interact before suggesting one long-term possibility: "We convert EBN members to BSR and then the EBN group (in some form) become the sustainable development arm of BSR" (p. 2). At this stage in the development of the NZ BSR it was acknowledged that an environmental focus was not central to BSR and seen as a subset of the larger

discourse of BSR. That is to say that the discourse of BSR was focused on the immediate business/society relationship. What is also evident is that environmental issues were considered to be a part of sustainability.

IV. Consolidation 1999-2000

During 1999 there was quite a volume of documents generated by the NZ BSR and a flurry of activity, in terms of seminars held throughout the country and interest in establishing regional branches from Whangarei in the north to Christchurch in the south. Ultimately, though, there were only branches in Christchurch, Wellington, Palmerston North, and Auckland with the first composite BSR/EBN group in Tauranga. Of the branches, Wellington was the most active with a strong line-up of seminars and meetings. Many of the NZ BSR seminars conducted were organised and staged in Wellington by the Wellington group.

In March of 1999 there was a proposal to expand the membership by adding 'Associate Membership' in order to address the ongoing financial difficulties. The proposed new membership was to be: a) individual e.g. professionals, academics, students and b) organisations other than for profit businesses e.g. academic institutions, trusts. The expansion of the organisation to non-business groups had been resisted but the decision to expand membership was a pragmatic one as Dick Hubbard's financial contributions to the NZ BSR were considerable. The minutes of the board meeting (April 29, 1999) note that Hubbard Foods would cover the cost of NZ BSR newsletter, generally seven thousand dollars an issue. The National Business Manager's report of April 23, (1999) stated: "our cash position continues to deteriorate" and Dick Hubbard agreed to cover cash requirements of \$20,000 from March to August. The group still saw itself as primarily a business group and continued to look for ways to expand its business members. The organisation was also investigating outside funding possibilities with internal affairs, the Lotteries Grants Board and community development groups. The board minutes of 10 June, 1999 (Item 7) noted that the NZBCSD was also seeking individual and smaller company membership, thus working in a similar area to NZ BSR and further impacting on the NZ BSR membership. The move by the NZBCSD to broaden their membership criteria also worked to blur the distinction between the two groups in

terms of their membership base. There was resultant stress on the membership drive and considerable concern over the viability of the NZ BSR.

In June of 1999 the NZ BSR conducted a values session, one of the group's efforts to reinforce organisational identity. One of the objectives of the session was to "Establish Clarity and Alignment for What the NZ BSR Organisation Will Stand For," which were subsequently listed as:

- NZ BSR is a professional organisation that serves business (its stakeholders) to help strengthen their businesses by providing access to information about SRB practices and deliver tangible services to customers (members) – relevance to what they want, when and how they want it. It must have credibility to serve members.
- NZ BSR is an organisation that helps businesses implement humane and environmental practices *without sacrificing profitability*
- NZ BSR is a catalyst for change: we provide opportunities (space) for businesses to learn how to transform their business through dialogue. If we treat people better in the workplace *profits will increase*.
- NZ BSR helps businesses *create SOUL* in their businesses
- NZ BSR is committed to improving the environmental financial and social performance of NZ business *and the world* by creating (developing and serving) a community of socially responsible businesses, other organisations, and people (members) that supports implementation of SRB in practice
(*Italics added for emphasis*)

The articulation of BSR with profitability which is one of the themes of the discourse of BSR is evident here despite being added on as an apparent qualifier in two of the items. The aspirational tenor of the last item in the list is consistent with the new paradigm approach to business the NZ BSR espouses.

The attempts to develop "Clarity and Alignment for What the NZ BSR Organisation Will Stand For" were ongoing with the organisation. The original administrator Karen Staines noted in the manager's report (July 27, 1999) that: "The basic question is continually being asked: 'How does NZ BSR's product/service/communication and working environment/behaviour create and deliver expectations to members?'" (p. 12), This question was prefigured by a comment on "Regional teams" (p. 6) that the Christchurch group was looking for direction and felt, "isolated from NZ BSR, or SRB activities generally" which reflects the ongoing struggle to precisely pin down and communicate the group's identity. Other external observations on the group as a 'brand' were sought at Karen Staines' initiative. Commentary was received back from marketing industry professionals on the NZ BSR and noted that: "The broad agreement is that we are

seen as 'dull and worthy' and somewhere in the spectrum of green type organisations; i.e. Not business mainstream" (p. 8).

The organisation took a further step towards the business mainstream when it was noted in the minutes of the July board (1999) meeting that John Williams would join the board at the next meeting. Williams was a very experienced and successful senior businessman who had developed many contacts in government. Over the next year (2000) he sought to expand the BSR network by getting the Rotary clubs of New Zealand more closely involved with NZ BSR which, while not completely successful, contributed to confirming the discourse of social responsibility as mainstream in New Zealand. Williams suggested Rotary chapters could have one session a year concentrating on the theme of BSR. Also, following an initiative begun by Kerry Griffiths, there was a proposal for regional combined NZ BSR/NZBCSED ethics awards for smaller organisations, which would be distinct from the Deloitte/NZBCSED top 200 awards instigated by Rodger Spiller. The move to create ethics awards for smaller businesses shifted the NZ BSR further into the role of catering for the needs of Small to Medium Enterprises (SMEs).

The desire for the NZ BSR to be seen as an ethical and well run organisation got a boost when Dr Robert Howell was welcomed to the Executive (Minutes, October 20, 1999. Dr Howell was an expert on governance and contributed to the NZ BSR governance policies. The purpose outlined in the governance policies shifted slightly from previous versions to specifically incorporate the concept of the triple bottom line and the requirement to report on achievements. Both of these concepts can be seen as being influenced by both Dick Hubbard and Rodger Spiller's experience with the NZBCSD as members were required to produce a Triple Bottom Line (TBL) report. Hubbard Foods produced their first TBL report in 2001 as a member of the NZBCSD. The report was summarised in a full page newspaper advertisement which was a hybrid information and marketing advertisement (*NZ Herald*, August 25-26, p. A20).

An important public event for the NZ BSR was the first conference in August, 1999. The conference was a success as 120-130 people attended and it was also profitable (Board minutes October 20, 1999) which enabled the group to finish the year on an optimistic note. Finances remained an issue however, and the

higher than expected number of smaller businesses required the break even point for membership to be revised upwards to 250 members.

A major event to reinforce, or potentially neutralise, the NZ BSR discourse was the national elections in September of 1999. Under the leadership of Helen Clark the New Zealand Labour party won power with the support of coalition partners, the Alliance party. The Labour party was committed to a ThirdWay political agenda (see chapter three) but also in parliament for the first time as an influential part of the government power base was the Green Party with an environmental and social focus. Over the next few years the NZ BSR did not need to draw on the role of "rival" to the NZBRT as the social and economic situation in New Zealand changed after the election. Helen Clark and the new government were adroit at sidelining the NZBRT whose apparent power appeared to dissipate (O'Sullivan, 2002b). The Labour government had enacted a range of socially responsible policies which encompassed some of the NZ BSR areas of concern. But it was, however, noted in NZ BSR strategy document (June, 2001) that one of the threats facing the group was that business people considered business "inherently socially responsible" and there was therefore a perceived lack of need for the group. There was, therefore, still resistance to the NZ BSR message which was also demonstrated in the other 'threats' listed which were:

- Personal and organisational attacks by those actively anti-BSR concepts and positions
- Related organisations perceived as adequately meeting need
- Negative publicity
- Considered as do gooders and airy concepts
- Increasing number of other organisations in sustainability/eco issues

The consolidation phase saw the NZ BSR organisation settle in an administrative sense as it had a stable board and expanded membership. As the list of 'threats' above illustrates the BSR message was still perceived as ill defined and not yet fully accepted as a mainstream business discourse.

V. 2000

In 2000 board members Lauren Maser (17 February, 2000) and Kerry Griffiths (email May, 2000) resigned and Wellington stalwart of BSR, Meredith Osmond took over from Griffiths. Also in 2000 (Letter, 9 October) another

turning point was reached when Rodger Spiller was appointed as the Executive Director of the NZBCSD further increasing the links between the two organisations.

Planning for 2000 and beyond was conducted with the completion of the "Fellow Travellers Business Plan" (2000-Draft 1.0) and membership and communication plans. Fellow travellers were defined as: "organisation and individuals, who are unable to/have not become financial members of NZ BSR, who share, or who are in a position to promote, the Vision, Values and Objectives of NZ BSR " and listed as:

- New Zealand Business Council for Sustainable Development
- Partners New Zealand
- EEO Trust
- Employees in the Community
- New Zealand Centre for Business Ethics
- Environmental Business Network
- The Natural Step Foundation
- Transparency International - NZ Chapter
- Business in the Community
- Government
- Government Departments
- Local Government
- Chambers of commerce

The membership plan stated that the goal was for: 150,000 dollars in revenue from membership; to increase the percentage of members in the ten million dollar turnover bracket, as well as setting up new branches in Hamilton, Christchurch, and Dunedin. The push for larger companies to join was for both monetary and credibility purposes.

In 2000 the NZ BSR and NZBCSD ran a joint conference (August 27-29) and prior to the conference a letter was sent to NZBCSD members soliciting membership in NZ BSR (August 15, 2000). As part of the overall plan to increase NZ BSR membership there was a desire to increase contact and projects with both the AEBN and the NZBCSD (email, 2000). In the minutes, (October 12, 2000) it was reported that the organisation was in a better financial position due to a successful conference and that there were 175 members. The ability to provide a comprehensive service to members across the country was still not fully in place, however, as a letter from Christchurch member Paul McGahan (September 17,

2000) pointed out that: "There is continuing concern amongst members and attendees of the monthly BSR meetings in Christchurch, regarding the direction and progress of the organisation." These concerns were over the perception of NZ BSR as an organisation which "lacked clarity and is difficult to distinguish from other groups... Members are finding an 'intangibility about the organisation.'" Also: "The profile of the organisation, aside from the Dick Hubbard factor, is not high within the business community" and: "There is... a particular challenge for the organisation in achieving top tier memberships and as such the present membership poorly reflects all sectors of the business community." He also said that the business plan values were not being not being implemented in regard to "communications and meeting expectations; and in the stakeholders success criteria" as a result of members queries to head office being unanswered. He concluded with: "In summary, there is a perception that the organisation lacks a team spirit at the present time."

The difficulty in developing regional networks was an issue for the NZ BSR even though the issue of BSR was still very much alive. In 2000 Hubbard gave 66 speeches or presentations throughout New Zealand, as well as 10 radio interviews and 8 TV interviews. The strongest NZ BSR group was in Wellington but the secretariat remained in Auckland. There was some attempt to reinvigorate the regional groups with the 2001 conference offered to both Wellington and Christchurch to provide more southern members with a conference closer to home. Both regions declined the offer as they did not have enough active members to cope.

VI. Pre-merger 2001

At the first board meeting of 2001 (January 29) one of the major items under discussion was a proposal from Businesses for a Better Bay (BBB *or* Triple B), to amalgamate with the NZ BSR. This would subsequently be the first organisation to combine to produce an environmental and social group in New Zealand. The group, with founding members Norske Skog and the Port of Tauranga, developed a new template for New Zealand in that they proposed a benchmarking system for accreditation (*BSR Today* newsletter, April 2001, p. 10). They also intended to develop partnerships (farming, horticulture and business groups) and alliances (chambers of commerce, local government, interest groups).

As well as the amalgamation with Triple B there was a tentative plan to work together with the AEBN on a seminar series. Rachel Brown wrote that "I guess this could be seen as a trial to see how the two organisations can work together...and how the members feel about that" (email, January 29, 2001).

For the NZ BSR organisation overall new board member Meredith Osmond (March 2, 2001) said in an email she was "unsure about what is being done to keep org afloat for the year." Osmond provided a business plan for the group's consideration and part of that was to: "1. Clarify the role of the national office " and "2.2 Clarify member services." Also in 2001 there was feedback from an Auckland committee member asking BSR to:

Review its initial aims of BSR existing to "increase awareness of best and triple bottom line" etc. It seems to me and to many members I've phoned in my time on the Auckland BSR committee, that many people have had their awareness well increased. These people now wish to take action and become more sustainable, so want BSR to lead them into this next phase by providing buddy groups, mentors, actions plans and action guidance, etc. All this as well as doing some awareness raising for people who are newer to bsr! (Email, April 19)

Another note from Paul McGahan raises similar issues but also suggests that NZ BSR could have a stronger public profile by laying:

Claim to some of the issues that it would be relevant to express an opinion on in the same way that Chambers of Commerce or Manufacturers Associations... seem to successfully advocate on behalf of members; or express opinions on matters of interest to them. (NZ BSR Board minutes, 8 May)

He goes on to give the example of the Christchurch City Council withdrawing from its zero waste to landfill policy by 2020 policy and pointed out that the issue had resulted in strong public reaction. He went on too ask if such important issues are something the NZ BSR should be expressing a view on. There was no conference in 2001 but Dick Hubbard was to investigate having a joint conference with NZBCSD next year and further (Item 7) there was a "mandate from the board for Dick to explore the possibility of a formal connection between the NZBCSD and NZ BSR."

At the same meeting John Williams said the Palmerston North region was struggling and he "felt despondent regarding BSR's future." Also John Ferner felt that the board has "lost a sense of the purpose of BSR." It was also noted that both

Williams and Ferner were encouraged by the appointment of Annette Lusk to the position of Executive director as it provided a renewed sense of hope.

Annette Lusk was appointed the executive director in approximately April of 2001 and after several months in the job she noted down some of her thoughts:

"My feeling is that many members and supporters, although they agree with the concept of SR, are confused as to what it means in detail or in practice" (NZ BSR board papers, undated). Annette felt she had to redefine BSR which she did in the NZ BSR sheet, *What is a Socially Responsible Company?* She said: "I had to write all this stuff, it took me a good six months to actually get my head around what social responsibility was to actually start letting our members know" (personal communication, March 9, 2004). The sheet was based largely on information from US BSR and was concerned with the practical application of BSR: The sheet stated that a socially responsible company was:

A company where all business decisions made take into account ethical values, compliance with legal requirements, and respect for people, communities and the environment.

Or

Operating a business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of business.

While the definition is consistent with BSR principles it does not suggest that BSR is anything other than business as usual for the majority of companies.

By the time Annette Lusk took over as Executive Director the political and social landscape had changed. The Labour Government which was sympathetic to social and environmental issues had been in power for two years. It was the third year of operation for the NZBCSD, and the fourth year for the NZ BSR, not including the high profile pre establishment phase of 1996 to 1998. NZ BSR board member John Ferner said of the NZBCSD, "when they got in, the Labour Government people looked at his [Stephen Tindall's] stuff and started making it government policy and pushing these things down the line" (personal communication, March 7, 2007). The 'pristine capitalist' position of the NZBRT was still very much a part of the discourse of business but was muted in the face of the obvious government success in reducing unemployment that accompanied the repealing of the Employment Contracts Act, and growing and vociferous concern over issues like climate change. The NZBCSD in particular was seen as

an alternative group to the NZBRT and was endorsed in this role by the Labour government. While there was still interest in BSR the discourse was becoming more and more dominated by issues of environmentalism and sustainability. There was also the issue of what practical steps the NZ BSR could take to continue to promote Business Social Responsibility. Annette Lusk said of that stage in the organisation's life:

It was just trying to work out what should a company be doing if it is doing social responsibility, so then you break it down to your stakeholders. If it's community then you do some sort of cause related marketing or whatever, give away money, work with schools, do all that sort of stuff. Staff, there is all those good business staffing practices, but that is all covered by the EEO trust really. They promote all that sort of stuff, but we could do stuff like that. So that's employment. Suppliers, there wasn't a lot you could do with suppliers, except try to push down the supply line for them to behave like you do. Shareholders, there wasn't a lot to actually push, because a lot of it is being done, its just good business practice. (personal communication, March 9, 2004)

The "intangibility" of the organisation was, therefore, still apparent when Annette Lusk took over as the administrator in the fourth year of the organisation's existence. The intermittent but ongoing concern from the front line staff over the lack of clarity of purpose of the organisation is a consistent theme in the board minutes. Those involved with the organisation with a longer familiarity or academic concern with the concepts may have considered the organisation well defined. but the view, from both internal and external observers, was that the organisation needed to move into more concrete areas of 'product' delivery to members.

The appointment of Annette Lusk is also important in that she immediately discovered synergies with the AEBN through friendship with Rachel Brown which was very important in drawing the two organisations closer together. Though not an environmentalist herself she saw that there might be "confusion in the marketplace" (Lusk, A., personal communication, March 9, 2004) with the two organisations sharing members and conceptual concerns like TBL reporting.

The final turning point in the development of the NZ BSR was the merger discussions with the AEBN. The first merger meeting was in June and the minutes

show that the AEBN members were concerned about the loss of the environment as a key issue. They asked "what are the key values?" and considered that the "NZ BSR was too closely connected with NZBCSD—what is the difference?" The concern over identity and position was common to both sides. The mission, stated in the minutes of the merger meeting, is to: "Promote environmentally & socially responsible business practices in New Zealand and support business on their journey towards sustainability." Here the environment is given priority as it is elsewhere in the document. The name the combined entities would take was not yet decided but some names were suggested. Of ten names suggested eight contained the word *sustainable*, or a truncation thereof; two the word *environmental*; but only one had *responsible* and one *social*. The combination 'Sustainable Business Network' was obviously the preferred choice by the authors as it occurs in four of the suggested names. The objectives were stated as:

- Demonstrate the value of *sustainable* business within context Aotearoa, New Zealand.
- To keep an ear to the ground on future change where business needs to respond. Be a catalyst for future proofing business.
- Provide coordination of *sustainable* business activities for SME's throughout New Zealand.
- Provide information, advice, and practical tools to support *sustainable* business practice.
- To grow tomorrow's business leaders in *environmental* & socially responsible business practice
- To be the first point of contact for enquiries regarding *environmentally* and socially responsible practice.
- Provide a point of connection with *sustainability* related organisations throughout New Zealand.
- Provide a forum for special interest groups around *environmental* & socially responsible issues
- To facilitate networking and support at a regional and national level.
- Support businesses on their journeys towards *sustainability* through provision of networking.

(*Italics added for emphasis*).

Again the construction of the list appears to reflect the biases of the authors in that environmental or sustainability precede the social concerns. The focus is overwhelmingly on *sustainable* business and the *environment* and social responsibility is positioned as an addendum.

There was a full merger proposal considered at the July 19 (2001) board meeting. This document was titled: *Proposal for the establishment of Businesses for Social, Ethical and Environmental Responsibility (BSEER). Building on*

Success by Developing of a Consensus Framework for Sustainable Business Growth in New Zealand. Combining the Businesses for Social Responsibility

AEBN. A large part of the document is concerned with pragmatic issues like the resource base available to the organisations, and how they are both after the same regional and national membership. There are intertextual connections to the previous NZ BSR and Triple B affiliation document as it is suggested that, in order to enhance brand potential, members commit to "a set of clearly defined and articulated values or criteria" which could then be used for marketing. There is no indication that this idea was taken any further but it provides a direct contrast to the NZ BSR which assiduously avoided any commercial leveraging off the NZ BSR brand. The merger proposal was discussed at the board meeting and the comments of the board members are below:

John F: [Ferner] He didn't want [NZ] BSR to be perceived as anti-business. There is too much emphasis by EBN on the environment. Agrees to concept but suggest they should be asked to change their name to BSR to show their more balanced approach.

Robert Howell: In principle he is supportive of further talks and discussions as New Zealand is small. However he does have some reservations.

Paul McGahan: Supports looking further into the concept and continue talks. He feels the name encompasses the philosophy well and agrees with John F.

Wes Brown: Doesn't like the concept. He comes from a business background. Wes feels we should explore the affiliation part of the proposal. Does believe the EBN could contribute and supports continuing talks. Wes asked; how does this speak into our purpose?

Rodger Spiller: In principle supports continued discussions and note they also offer consultancy services.

Dick Hubbard: Expressed concern regarding the smallness of NZ. He identified it would put BSR into uncertainty financially for the short term, also that BSR is becoming quite strong in its direction. Co-sharing the directorship would be a short term option. He is interested with reservations.

Paul McGahan: felt we needed to be clear with our response as friction and tension may occur if not handled well.

Peter Lee offered a page of notes to the NZ BSR board meeting with commentary on the proposed merger. One of his concerns is pragmatic in that he wonders whether the combined entity would be more viable than its constituent parts. His second concern is whether there is sufficient "commonality of purpose." He says that there is "clearly overlap between the two organisations" while the differences are that the AEBN has a "grassroots, environmental approach" while BSR has "taken a somewhat wider focus." He points out that he himself is a member of both groups and that he can see the logic of the groups joining together from a business perspective as, "Organisations which want to be good environmental citizens tend, almost inevitably, to want to be good corporate citizens." He then goes on to suggest that: "The AEBN's focus could be accommodated within the wider SD [sustainable development] as a "special interest group" within BSR, just as accountants have special interest groups—we could call it a "practice group." The idea that an environmental group could be absorbed into the NZ BSR had been first mooted by Kerry Griffiths in 1998 and indicates the perceived relative positioning of the NZ BSR to other groups. This perception is reinforced as at the same board meeting it was noted: "Dick, Steven, Rodger and Anet (sic) to get together and discuss formal links between BSR and NZBCSD."

The suggestion to merge with the AEBN was not considered *fait accompli* as the NZ BSR had always considered the NZBCSD to be their logical partner. After the proposal was presented to the NZ BSR board a pivotal meeting was held at Brookfield's law, without the executive directors, where a previously sceptical NZ BSR board was persuaded that a merger could be successful. The main stumbling block had been the perception held by NZ BSR board members that the AEBN was not focused enough on business. John Ferner said of that meeting:

We were struck by the fact that there were a lot of; at least their board was dominated by, a strong group of businesses. Yes sure it had very much an environmental focus like Organics drinks Co Phoenix, but there was a plastics company. That really amazed us, a plastics manufacturer. And so we saw that there was some good solid business people behind this movement as well, and that changed things dramatically. There were still a few people who didn't like it and they were worried. (Personal communication, March 7, 2007)

The inexorable shift towards environmentalism and sustainability as the dominant terminology and world view was resisted by some in the NZ BSR. The presence of "solid business people" on the AEBN board mitigated concerns over the perceived differences in approach to proper business

VII. Merger 2002

During 2002 there was continued activity by the BSR but the proposed merger appears to have been considered as going ahead. In the BSR newsletter *Today* (May, 2002) the question was posed: "Should BSR and EBN Merge?" After pointing out that the NZ BSR had already merged with the Bay of Plenty EBN and that model was working well the article noted that with businesses" also moving toward Triple Bottom Line Reporting and Sustainable Business Practices... it is now necessary for BSR to strengthen its expertise in environmental issues facing businesses." Also voiced were concerns that had been raised about "one organisations (sic) culture" gaining prominence (*BSR Today*, May 2002) but the solution proposed was to have both executive directors in the new organisation. Another concern was that "key areas of interest may be watered down" so special interest groups were to be introduced to address areas like organics and stakeholder dialogue. The members were consulted and the merger vote was scheduled to take place at the October conference where the NZ BSR would hold its AGM. The AEBN voted in favour of the merger at their AGM prior to the conference and issued a press release announcing that: "Rachel Brown is set to take up the position of executive director of the new organisation with ongoing support from the existing director of the NZ BSR Annette Lusk." Not only did Rachel Brown become the executive director but John Ferner noted that:

Also the management of the AEBN took over the management of the group which nobody really worried about but...I'm not even sure if the social responsibility part of it is so much... of a political issue anymore. I think most people realise it is an issue, and if they're any good they have a focus on this stuff.
(Personal communication, 2007)

To all intents and purposes the new organisation was the AEBN with increased membership. There were still some AEBN members not happy that the social element of business had been added to their mandate as they felt it diluted

the purpose of the AEBN. Rachel Brown said of the tension between the environmental and social interests:

I had a member come up to me... she [said] I pulled out when you guys merged with BSR because I could see that you were going to get completely distracted by the social stuff, and that's just not important We definitely lost members... when we merged. (Personal communication, February 21, 2007)

Equally, as has been pointed out above, there were members of the NZ BSR who felt the environmental focus of the AEBN was not their primary interest.

During 2002 (August) the increased importance of sustainability as a concept became evident with the release of *Creating our Future* a report by Morgan Williams, the Parliamentary Commissioner for the Environment. In 2002 the World Summit on Sustainable Development (Rio Plus 10) was held from August 26 through September 4 in Johannesburg, South Africa. New Zealand was represented at the highest level with Prime Minister Helen Clark attending. Also present was Rodger Spiller as executive director of the NZBCSD. Rio plus 10 achieved a high profile on the world stage and the terminology of sustainability at this juncture was dominant in New Zealand. In the chairman's message in the last issue of *BSR Today* (September, 2002) Dick Hubbard wrote: "a proposed new name for the merged organisation has not yet been struck and I think it is important whilst the name of the new organisation must be chosen carefully, it doesn't become central to the merger discussions" (p. 2). The issue of the name reflected several concerns for both organisations as the NZ BSR had sprung from different motivations than the EBN.

The original identity of the NZ BSR was built around founder Dick Hubbard as he put forward ideas and occupied a position contrary to the then dominant view of the NZBRT, which he saw as inimical to how business and society should be organised. Those who joined him did so for a variety of reasons but most largely shared his views. From the very beginning the NZ BSR positioned itself as first and foremost a business organisation with aspirations to represent the largest businesses and be a force for good in the New Zealand business landscape. The NZ BSR board members felt the 'brand' was well recognised and accepted in the marketplace of ideas and encapsulated the

organisation's values, values which included a concern for the environment as one element of their program. For these reasons the NZ BSR members preferred to retain the BSR name. The AEBN members, however, came from an environmental focus which identified the activities of big business as the cause of many problems. The NZ BSR brand was of no consequence when the first and foremost concern was with the environment. The previous articulation of environmentalism with an anti business attitude was gradually being undone, however, and was being replaced the new articulation of environmentalism with sustainability and hence, 'proper' business.

Conclusion

In this chapter the discourses that contributed to the development of the NZ BSR have been outlined. An important influence was the NZBRT position on BSR which had as central themes a concern for *the proper role of business in society* as well as positions on *stakeholding* and *where social responsibilities should properly lie*. Also important to the overall discourse of the NZ BSR was the influence of Dick Hubbard as a recognised public figure and the position he occupied in relation to the NZBRT.

The chronological development of the NZ BSR was then followed through, from the original concept promoted by Dick Hubbard and the opposition to it put forward by the NZBRT. The chronology followed through the several stages of the NZ BSR to the eventual merger with the AEBN to create a new organisation in New Zealand, the Sustainable Business Network. Noteworthy is the apparent difficulty the NZ BSR had in defining its purpose for itself and the growth of the concept of sustainability over this period.

In chapter six closer attentions will be paid to how the discourse of the NZ BSR developed paying special attention to the articulations made to legitimise the concept of BSR. Also in chapter six the value assumptions, the ideological assumptions of various kinds of positioning, and suggestions of relations of power within and between organisations will be considered.

Chapter Six

Findings II. Articulations, Discourse Transformation, and Inter/intraorganisational Links.

Introduction

This chapter refers to E II (Ch. 4) as it is an inferential application of Critical Discourse Analysis. In chapter five the chronological development of the NZ BSR was outlined along with the key turning points that impacted on the discursive construction of the NZ BSR organisation and the discourse of social responsibility in NZ. Notably we saw that the subject position of Dick Hubbard was important to the development of the NZ BSR as was the ideological clash between the NZ BSR and the NZBRT. Also important was the development of alternative values based groups, the AEBN and the NZBCSD. In this chapter the analysis of the organisational and discursive development of the NZ BSR continues with attention specifically to the key articulations (Chouliaraki & Fairclough, 1999; Grossberg, 1992, 1996; Hall, 1996; Slack, 1996) the NZ BSR made to promote the concept of BSR. As in chapter five there are historical elements to the discussion of the development of the NZ BSR but in this chapter there is also the added language sensitive exploration and interpretation of the key elements of the discourse of BSR.

The research questions outlined in chapter three, with the exception of question four which is addressed in chapters 7 and eight, form the organising framework on which the analysis in this chapter is based. The chapter is arranged so each question will be addressed, in order, and illustrated with examples. The analysis in this section is an application of key relevant concepts from CDA paying special attention to unexpressed as well as expressed value assumptions and the ideological implications of various kinds of 'positioning'. The research questions are:

1. In what way did the NZ BSR organisation contribute to the public discourse of social responsibility?
2. How and why did the discourse of social responsibility, within and beyond this network, transform into a discourse of sustainability?

3. To what degree did the NZ BSR organisation function as an inter-organisational network—that is, in terms of shared interests, vocabulary, and identity?
4. What may be suggested or predicted about the future configuration of business-government-society relations in New Zealand?

In *section A* the first research question will be addressed with a brief overview of the articulations that were made to shift the discourse of business to one of socially responsible business. This is followed by discussion of the subject position of NZ BSR founder and chief spokesperson Dick Hubbard. The section continues with an examination of the attempts to construct the NZ BSR as a business organisation and how that was important to shifting the discourse overall.

Section B addresses research question two, looking at how and why the discourse of social responsibility transformed into a discourse of sustainability considering the opinions of various NZ BSR board members and the development of the AEBN and NZBCSD and their impact on NZ BSR in the context of the time.

Section C considers how the NZ BSR organisation functioned as an inter-organisational network by looking at how the important communication networks developed and also by looking at suggestions of relations of power within and between the different entities and groups.

A. Research question 1. In what way did the NZ BSR organisation contribute to the public discourse of social responsibility?

I. Articulations to shift the discourse

The most obvious contribution the NZ BSR made to the discourse of BSR in New Zealand is that they brought the discussion of the concepts into mainstream discussion of business. This was achieved by the re-articulation of orders of discourse and adjusting the barriers between orders of discourse (Chouliaraki & Fairclough, 1999; Fairclough, 1992; O'Sullivan et al., 1994) but there was resistance. That is to say, the orders of discourse of business and social concerns had been consciously separated by the neo-liberal agenda pursued by successive Labour and National party led governments from 1984. The NZBRT business group was operating from a position of dominance as a result of nearly

fifteen years of implementation of New Right economic policies in New Zealand. The 'common sense' of the free market ideology was not being overtly questioned by the business sector, which had benefited enormously from deregulation, but instead the clamour for change originated from the public which was becoming increasingly disenchanted by the free market approach.

From the beginning the NZ BSR was discursively positioned as a business organisation, promoted by a businessperson and therefore a challenge to the attempted hegemony of the NZBRT. The attempt to create BSR as a new 'common sense' was spearheaded by Hubbard. In his *Clipboard* 34 (1997) Hubbard had announced his intention to establish the BSR with one of the aims being to "counter some of the opposing arguments." After the initial encounters the discursive thrust shifted to validate BSR as a business methodology and to classify the pristine capitalist approach of the New Right, and the NZBRT, as outmoded.

The NZBRT articulated business with a historical /economic, rational/legal framework whereas the NZ BSR attempted to introduce value concepts centred on 'New Paradigm' business and attempted to reframe business through a framework of values. They attempted to broaden the idea of economic to include social and environmental objectives and also to differentiate between legal and moral ownership. In other words there was an attempt to introduce new elements into the business order of discourse, which was a challenge to the dominant discursive conventions of business (Fairclough, 1992). In a 1997 speech Hubbard said:

Legally a shareholder's rights will, subject to appropriate statute law, over-ride those of the other stakeholders. However moral ownership assigns rights to stakeholders other than the legal ones and will require management to give moral weighting as well as legal weighting to the resolution of any conflicts of interest between the various stakeholders in a company. That is not an unworkable concept.

He concluded with:

Increasingly businesses will not be able to operate as isolated economic units with the single minded goal of maximising shareholder wealth being the only reason for their existence I believe that in the future businesses will be required to operate in a softer and gentler manner and I believe that at the end of the day this approach to business will be good business.

The two organisations were operating in the same order of discourse, i.e. the discourse of business, and both were attempting to position themselves as what 'real' business was doing. The NZ BSR also attempted to reposition business with a systems approach which made corporations an integral part of the societal mix, or part of the demos, and not discrete organisations. Through the concept of stakeholding the potential engagement of business with society was widened, which contributed to the mainstreaming of social responsibility by redefining the traditional legal/limiting boundaries of the business order of discourse. In this case the discourse of the NZ BSR worked to both reinforce and transform the discourse of business. In the quote above Hubbard also introduces the idea of humanising business through his use of the words "softer" and "gentler" as opposed to a more mechanistic "isolated economic unit." Fairclough (1992) notes that: "Discourse practice is constitutive in both conventional and creative ways: it contributes to reproducing society (social identities, social relationships, systems of knowledge and belief) as it is, yet also contributes to transforming society" (p. 65). If considered from a Marxist, or deep ecology perspective, the NZ BSR was conservative in that they did not wish to effect a radical transformation of business and there were assertions that what NZ BSR was promoting was, in fact, no different to what enlightened businesses already considered best practice. But the NZ BSR did wish to shift the discourse to include values based elements. In order to do so they had to operate within the dominant business order of discourse and engage with the legal argument, but also had to present new ideas of the function of business

The proponents of BSR, particularly the spokesperson Dick Hubbard, were required to present the vision of 'new paradigm' business and what that entailed, whilst Roger Kerr, with his subject position as the spokesperson for the status quo, needed to discredit Hubbard's vision and buttress the pristine capitalist worldview. In this section the discursive development of the NZ BSR is examined first through a brief outline of the subject position of Dick Hubbard and the impact he had on the discourse. Also considered is the role of Rodger Spiller, followed by a discussion of economic, social, and environmental discourse strands. How the NZ BSR and NZBRT presented their positions and what

articulations they made to attempt to shift the discourse, or maintain the status quo, will now be considered.

II. Subject position of Dick Hubbard

Dick Hubbard was central to the discursive development of the NZ BSR. His personal enthusiasm was instrumental in the group being founded (Griffiths, 1999), and he was able to promote the concept of BSR in New Zealand because of the credibility and charisma he brought to the role of public advocate for BSR. Hubbard was an established businessman with a reasonably high profile in that his business products were household consumer items (breakfast cereals). The Hubbard brand and values were already identifiable to many, and hence contributed to his social identity. The persona of Dick Hubbard is inextricably interwoven with the Hubbard brand through his public profile, which was established in several ways. One major avenue, referred to in chapter five, was the *Clipboard* inserts in his cereal packets, which were important because they were a significant communication channel for establishing the discourse of BSR in New Zealand. At the level of text distribution and consumption (Fairclough, 1992) they were a simple distribution mechanism but with remarkably wide consumption in that *Clipboard* No 34 was the avenue by which the media were alerted to Hubbard's intention to establish NZ BSR. As previously noted (chapter 5) several of those who wrote letters to Hubbard indicated they bought the cereal in order to get the *Clipboard* insert. The inserts have also been central texts for academic researchers (Harris & Twine, 1998).

A typical *Clipboard* (four pages, A4 sheet folded to A5) has a brief article by Dick Hubbard on a topic of interest like *Companies with a Soul-Part 3* (*Clipboard* No. 30) on the opening page followed by company news and information about Hubbard Foods products. Also included is a story of some sort, which can be a heart warming story or a cautionary tale, and the last page always contains a "Quotable Quote." The overall effect is of a homely, personal communication. Whilst ostensibly forward looking and innovative, there remains an innate conservatism about Hubbard as 'brand' portrayed through the intertextual invocation of the *Reader's Digest* genre which represents a simpler time of home spun truths and traditional values. The *Clipboard* publications are redolent with the Hubbard brand personality which incorporates Dick Hubbard's personal

values. The no-nonsense and common sense businessman and friend, which is the Dick Hubbard in the *Clipboard*, is reinforced by other texts, notably newspaper and magazine commentary on events in the development of the Hubbard's story.

Hubbard as businessman and employer is a significant part of the Hubbard social identity. The Hubbard approach to employment relations is spelled out in his informal *Clipboard* publications and expanded on by external commentators. Perhaps the most significant event outside of the founding of the NZ BSR was the trip to Tonga that Hubbard provided for all his staff in 1998. This event helped to create the subject position of Hubbard as philanthropist and socially aware business owner. As an event it received national television coverage and Walker (1999) says there is "little doubt that this was a defining episode leading to broad public awareness of Mangere's Hubbard Foods as a socially responsible company" (p. 143).

The BSR message promoted by Dick Hubbard had its roots in what he called a "personalised marketing approach" (speech notes, 1997) where he had, as early as 1994 in the *Clipboard*, begun to talk about the concept of companies with a soul (Buxton, 2000; Pringle & Thompson, 1999). The theme resonated with a sector of the community and represented a social aspect of many New Zealanders. The NZ BSR sprang, in part, from this ground swell of public opinion which may help explain why the subsequent attempts to contain the organisation as a business organisation were not completely successful.

In terms of the social identity of Dick Hubbard, the Hubbard brand was Dick; Dick was heavily identified with the concept of BSR; and therefore BSR was strongly associated with Hubbard Foods. The effect was to articulate values with business through Dick Hubbard's visible, and branded, personality. Nobody else in the BSR organisation had a comparable profile and, as pointed out in chapter five, it was a position willingly adopted by Hubbard. The articulations made by Hubbard and the subject position he adopted as campaigner for new paradigm business, were contested and for Fairclough (1992) where "contrasting discursive practices are in use in a particular or institution, the likelihood is that part of that contrast is ideological" (p. 88). The ideology in this case is located in the structure of the discourse formation of 'business' which, in turn, had been largely articulated with big business, which was represented by the NZBRT. The

subject positions of Dick Hubbard were therefore a complex interplay where his social identity elided into his subject position as BSR advocate. As he was promoting a modified discourse of business it was necessary to function within the rules of the discourse formation of business. His subject position as public figure was very important as it provided him with a means to challenge the boundaries of business and social life which the neo-liberal hegemony had been working to disarticulate.

Another Board member to have a reasonably high public profile was Rodger Spiller who was an investment adviser with his own business, Money Matters. In his PhD research Rodger Spiller focused on the investment aspects of socially responsible business and was able to contribute to establishing the business case for adopting BSR in New Zealand. By doing so he made a significant contribution to moving the discourse beyond defence of BSR practices, in the face of NZBRT opposition, to establishing BSR as a valid approach to modern business. He also contributed to the re-articulation of business and ethics which had been separated by the supposed amorality of markets under the previously dominant New Right ideology. The subject positions of academic expert in the field of BSR, combined with his recognised, and awarded, position as financial consultant lent intellectual and practical credibility to the promotion of BSR. This combination of the social identities and subject positions of Dick Hubbard and the subject position of Rodger Spiller work at the ideational level (Fairclough, 1992) where the ideational function refers to "ways in which texts signify the world and its processes, entities and relations" (Fairclough, 1992, p. 64). The discourse of BSR is reinforced by the social identity and subject positions of Hubbard and Spiller and the discourse, in turn, "contributes to the construction of systems of knowledge and belief" (Fairclough, 1992, p. 64).

III. NZ BSR as business organisation

In order to shift the discourse the NZ BSR members were aware of the need to position the group as primarily a business organisation, yet one that was operating in a new paradigm. The challenge was to present values based BSR as sound and valid business practice. In this instance the discourse of social responsibility was represented largely by Dick Hubbard with his specific role as outlined above. Even though Hubbard was a well known businessman his subject

position as head of the NZ BSR meant that he did not represent mainstream business, as was made evident in the feedback from one of the few corporate members of NZ BSR (see chapter 5). The business members of NZ BSR were predominantly smaller businesses with a number of them being business consultants and academics. The reluctance of larger businesses to engage with the BSR movement might be explained by the Althusserian (1971) concept of *interpellation* whereby the subject places themselves within a particular ideology by responding to it. For example in the case of larger corporates in New Zealand they did not identify themselves as being addressed by BSR, which signifies that the ideology was contested, and very much a work in progress. There was evidence of this in macro form in Kerry Griffiths' recounting of her first attempt to explain to Wes Brown what she had been doing at the University of Bath which offers a well regarded MSc in Responsibility and Business Practice. Griffiths wrote:

While I was waiting the managing director passed by so we had a chat about what was up to including the MSC—this was met by a puzzled look , a long silence and then: "Sounds to me like you've lost it!" (Griffiths, 1999, p. 20)

As a result of this encounter Griffiths questioned her communication and began to develop her own strategy to communicate to overcome the possibility that the ideas she was espousing may well be contested:

- thinking more about where people where (sic) at before I launch forth
- reflecting on what it was that I wanted to achieve in my communication
- starting to develop a clearer communication on who I was in this
- actively using Torbert's communication framework—framing, advocating, illustrating and inquiring. (Griffiths, 1999, p. 21)

Wes Brown was ultimately persuaded by Kerry as she knew he was "a very enlightened MD in terms of how he leads the organisation and empowers his people" (p. 20) and a concern for staff was one of the leading articulations made with the concept of BSR. The difficulty of introducing new articulations is seen in the above example but Wes Brown also experienced resistance and hostility over some of his remarks. He commented that:

At that time... BSR was not an extreme organisation, it certainly wasn't, it was very middle ground, but I recall going to just the odd leaders thing I got invited to as a corporate participant ... And on two occasions I went to these things and

asked a question on something, quite innocently, it was relevant to the conversation and I wasn't representing a point of view. I was only representing my own values and got an... extraordinary sort of vitriolic response back from a couple of people and I was quite stunned. (Personal communication, February 22, 2007)

For a senior and well regarded businessman like Wes Brown to encounter such a response demonstrates the hegemony of the neo-liberal discourse was still very strong at this stage. The demarcation in possible positions business people felt they could occupy was strong enough that the NZ BSR board did not attempt to persuade businesses to join. Their approach to promoting BSR was:

About how can we evangelise this message amongst like people? So ... the approach was ... no point going out there convincing people to join. It's far easier to go and find people who are already like minded and say to them; look, we understand that you actually feel sympathetically about this. You know this movement is actually really important at the end of the day. Therefore if you feel like that you really need to be part of it. Because we actually needed to gather like minded people together to at least create some critical mass, at that stage. (Brown, W., personal communication, February, 2007)

The quote above gives a sense that the organisation and the message were important and that they were a resistant force. There is also the idea that there were two distinct possible positions that could be taken on the role of business in society. The difference in positions meant that the NZ BSR had difficulty in attracting larger businesses to join: the reluctance of larger organisations to join was evidence of both the influence of neo-liberal thinking, but also of some concern about the perceived value to business of the NZ BSR. This had been indicated by the early resignation of steering group member, Richard Keene, who had felt that the non business membership diverted the organisation from its proper purpose:

There were lots of people who weren't actually anything to do with business. The number of people who were academics and all sorts associated with it [BSR] really tilted it outside that business arena. And that's not to say they didn't have their place, but I felt they didn't have their place there. If you have a forum it should be for people in business. Then you sit down and talk about how can we be socially responsible. You want to be talking to other business people. (Personal communication, March 9, 2007)

Despite Keene's early disappointment with the direction of the group it remained an organisation, in name at least with the express purpose of representing like minded people in business. At the level of social practice Kerry Griffiths noted in 1998 that "we do start to see a number of key business people aligning themselves with our position—business with a social conscience. Dick Hubbard and 'Businesses for Social Responsibility' start to become common language" (p. 33). Also: "I start to see signs of tangible shifts in the business agenda. In the mainstream business arena social responsibility has crept onto the agenda of some conferences and seminars" (p. 42).

Fairclough (1992) says "the constitutive work of discourse necessarily takes place within the constraints of the dialectical determination of discourse by social structures... and... within particular power relations and struggles" (p. 66). In this instance the social structures in place were characterised by relatively recently (post 1984) established ideas of how business functioned which saw business and society separated, and the 'new paradigm' business promoted by the NSBR where business sought to engage with society. Other values based business groups in New Zealand (the EBNs) were considered to be on the fringes. By insisting on one function only for business, to make profits, the NZBRT paradoxically opened a discursive space for the NZ BSR to occupy, where business could be profitable *and* socially responsible. The subject position of the NZ BSR overall was, however, at odds with the understanding many in business had of themselves.

IV. Articulating the 'economic' with values

The discourse of BSR was made up of three main concepts which focused on the economic, social, and environmental, commonly referred to as the three pillars of social responsibility, which will be discussed in turn below.

Central to establishing BSR as bona fide business approach was tackling the concept of profitability. A major discursive thrust of BSR was the attempt to broaden the understanding of the concept of the bottom line and establish that socially responsible business does not adversely affect the economic bottom line, and may even be more profitable than conventional business (Spiller, 2000; Willard, 2002). Supporting the idea of increased profitability is the concern for socially and ethically responsible investment. There is also the associated idea of

risk minimisation, leading to reduced possibility of exposure to liability, and therefore reduced costs. Costs can also be decreased by waste reduction, as waste equals cost due to inefficient resource utilisation and the necessity for waste disposal (Gray et al., 1996).

Within BSR it is necessary, to some extent, to decouple profit from business motivations or the business concerned could be subject to the charge of being disingenuous. With the development of green marketing (Ongkrutaksa, 2007) there is often the associated charge of 'green washing' or using green credentials to bolster market perception. Similarly there is scepticism over combining social or environmental issues and marketing in cause related marketing (Webb & Mohr, 1998). There is justifiable scepticism if profit is offered as the sole reason for pursuing BSR policies. Nevertheless foregrounding profit is a strategy used to validate BSR and focusing on the economic bottom line has been advanced as the strongest persuasive device for convincing business to engage with BSR. Profit is usually dealt with by seeing it as simply one part, albeit an essential part, of the business function. The key term, coined by John Elkington, covering the expanded understanding of profit is the Triple Bottom Line (Elkington, 1998, 1999a). Discussions of profit therefore tend to decentre and broaden the idea of what profit is and the most common refrain is that BSR can contribute to profitability or, as Hubbard put it, "the aims of profitability and social responsibility are not mutually exclusive" (Blanchard, August 1998). In *Management Magazine* (June 1998) Hubbard said: "I certainly wouldn't argue with Roger Kerr that companies need to focus closely on profitability, but we're saying that a greater sense of social responsibility... actually enhances, rather than inhibits, the profit-making process" (p. 28).

Hubbard also had a view on profits specifically in relation to his own business and values. In his *Clipboard* No 47 (2000) Hubbard discussed both a well publicised strike at his factory and "Our Unique Profit Sharing Scheme." He says: "From April 1st this year 10% of the Company's pre-tax profit will go to staff" (*Clipboard* no 47). The idea of profit sharing was not new (Guthrie, 2001) but not something that is widely undertaken in New Zealand. The profit distribution by Hubbard Foods is positioned as "recognition of the fact that our staff are (sic) in effect stakeholders in our Company." Hubbard goes on to say that

the idea comes from a similar scheme operated by BSR pioneers, Ben and Jerry's ice cream in the USA. While the underlying principle of stakeholding is core to NZ BSR principles, straight profit sharing is not a widespread practice in New Zealand because of tax disincentives. Employee initiative schemes are more likely to be based on a bonus or share ownership system, but even then the majority of small firms in New Zealand do not provide incentive schemes (Massey, 2004).

While profit sharing or philanthropic donations are often conducted strategically a major part of the NZBRT opposition to BSR was concerned with monetary donations. Donations are only one of many aspects that make up the NZ BSR philosophy. Hubbard's view was that there is *above* and *below* the line giving. Above the line giving includes obvious marketing and sponsorship, which is win-win for the business as it may engender a "sympathetic inclination from morally minded potential customers" (NZINE retrieved 7/3/00), whereas below the line giving may not have any payoff for the company and may even be detrimental to profitability and efficiency (NZINE retrieved 7/3/00). Part of the information provided by the NZ BSR includes Roger Spiller's "Best Practices of New Paradigm Business" (Spiller, 1999, 2000). Spiller identifies the top ten Best Business Practices for six topic areas and listed under "Community," the first of the recommended Best Practices, is: "Generous financial donations" (1999, p. 80). One of the strongest objections to BSR offered by the New Right is that: "Being charitable with other people's money is theft" (Kerr, *The Independent*, April, 1998). Kerr particularly takes issue with Dick Hubbard's view that it is alright to give away a portion of "below the line" or after-tax profits that would normally flow to shareholders as dividends; "not for commercial so much as spiritual reward" (p. 11). In the NZBRT view unapproved corporate giving was justified only when there was some measurable benefit to the organisation. When there was a benefit it could be considered marketing or advertising (Kerr, 1996).

As only one of 60 best business practices outlined by Spiller (1999) financial donations cannot be said to be the core of BSR. Yet giving money away is one of the most publicised of the opposition claims against BSR. The result was that the nuances of the BSR agenda were overlooked in favour of articulating the NZ BSR organisation with being non-businesslike, and possibly criminal, in its intent. The NZBRT mantra, following Friedman (1970), was that the only social

responsibility of business was to increase its profits. Conversely, any publicly held organisation that did not pursue profit above all was negligent and any that made below the line financial donations, without the permission of all shareholders, were engaging in theft. Companies not publicly held—like Hubbard Foods—are not answerable to shareholders and can subsequently do as they please. The BSR position overall was, in Dick Hubbard's refrain, that the business of businesses is more than business, which was the idea of business being bound by a social contract.

The function of profit is therefore, an important consideration in the language of the NZ BSR. The idea of profit has further significance when we look at the rationales underpinning the positions. The NZ BSR position can be characterised first by the understanding that profit is generally considered to be a means to an end and not an end in itself (Spiller, 1999). The logical extension of this understanding is that business exists to do good. Secondly there is in the NZ BSR an acknowledgement that business benefits from society, even more so as a result of business friendly deregulation in New Zealand, so there is the notion of giving back to society. The final position is that the business exists only with the imprimatur of society. This view of profits coincides with the more holistic, social contract worldview adopted by proponents of BSR. By contrast, the NZBRT position is that businesses contribute with the creation of jobs and wealth in the economy, which is the extent of their social contract, so there is no obligation to give back (Henderson, 2001b; Kerr, 1996).

Another strand of the profitability discourse was the BSR contention that being socially responsible can contribute to profitability as the advantages of investment in ethical business lie in lower investment risk (Spiller, 1999, 2000). The slogans, doing well by doing good, and win-win-win encapsulate this idea. There are of course different possible positions that can be taken, even within the social contract position. These positions range from the understanding that profit is a means to an end, to BSR is a necessary undertaking to ensure the continuation of the business and any future profitability. The idea that ethical business and investment are superior business models has been challenged with concern raised over the methodology employed to demonstrate ethical performance (Entine, 2003).

At core the argument is about how capitalism is enacted but the concept of profit has different interpretations. At one end of the spectrum an orthodox Marxist interpretation has it that profit represents an inequality, because it is a charge over and above the inputs required to produce an item, including the labour input. Profit is, therefore, the exploitation of labour. The Marxist position on profit was not made manifest in the discourse but even to some of those within the NZ BSR there was some concern about how profit might be presented by the group. There is faint intertextuality invoking the Marxist position when Wes Brown said:

I was sort of expecting to hear some voices speaking out against profit and things like that, and I didn't hear those in BSR. I think in those early days there was still an acceptance that the generation of a profit is essential for the sustainability of business, and so there was no sort of martyrdom happening. (Brown, W., personal communication, February 22, 2007)

The anti-profit, anti-big business argument is drawn on by the NZBRT. For David Henderson (2001a) CSR could "raise the costs of doing business, could well reduce revenues, and might also cause companies to sponsor low-yielding investments which they would otherwise have turned down" (p. 29). The idea that BSR oriented business could perceive profit negatively, and therefore demonstrate a lack of professionalism, was noted by NZ BSR board member Peter Lee:

There was certainly a stream of thought in the whole social responsibility movement that profit was a bad sort of thing. It was an undercurrent that... was never explicitly stated, but was... almost that profit was bad and we've got to consider all the stakeholders, even if it means we stop making much profit or whatever.... And maybe that is something that Roger Kerr was articulating... the sense of you can wind up spending a lot of money making yourself look nice but it doesn't really do any good, whereas now the model is about being professional. (Lee, P., personal communication, March 6, 2007)

The introduction of an extreme interpretation of profit tends to position understanding of the concept as a strict dichotomy. The intention of the NZ BSR was to try to expand the conceptual and practical possibilities for profit. Therefore the discourse strand of profitability in BSR ranges over a number of articulations from: the business case, where hard headed business logic apparently prevails though underpinned by a wider understanding of the social contract, to

philanthropy, where the impulse comes from a moral concern over the place of the individual in society and therefore business in society, with variations in between. For Spiller: "Focusing solely on profit maximisation fails to prevent a sufficiently meaningful purpose for business and investors to commit to, and fails to recognise a wish to assist other people and the planet" (1999). The 'profit maximisation' argument and the 'means to an end', argument reflect the stakeholder and agency theory positions of the NZ BSR and the NZBRT respectively. The inward looking agency theory position (Hazeldine, 2000) would have the individual solely concerned with themselves and their own well being, and as a consequence, prepared, and able to assist others. Taking care of oneself first is the only way to be able to do any good for others. The stakeholder position (Freeman, 1984; Hutton, 1997) by contrast, is outward looking and would have the greater good in focus and look to participate in that greater good as a communal effort.

In the NZ BSR the theme of the profit motive intertwines with concepts of the social contract and efficient business. In promoting social responsibility against neo-liberal ideas, which had been the most common interpretation of the political economy in recent decades, the attempts to redefine profit come up against a hard numbers argument. Profit in the traditional sense of the bottom line is easy to quantify but the expanded scope of the BSR project makes it more difficult to convey. Also the below the line, philanthropic, arguments of Dick Hubbard had the greatest exposure and effectively worked as the NZ BSR position in the early stages of discursive development. The below the line position may arguably have been the most problematic of the possible positions as, in discursive terms, it is the position that generates the strongest resistance. There may have been greater resonance with a sceptical business community if the business case for the profitability of BSR (Willard, 2002) was promoted over the below the line argument.

V. Social section

For the social pillar of BSR the benefits that can be derived for business through undertaking BSR initiatives are positioned as also contributing, or at least not hindering, the economic. The development and maintenance of company reputation, for example, requires good governance and a concern with a morally constituted ethical position over narrowly interpreted legal responsibilities (Hearit,

2007; Seeger & Hipfel, 2007). Unethical practice is typified by the activities of the corporations Enron and Worldcom (Carson, 2003), and human rights controversies exemplified by events like the alleged interference by Shell Oil in the internal politics of Nigeria (Schwartz & Gibb, 1999) and Nike's involvement with sweatshop labour (Knight, 2007). Other facets of social engagement are through the workplace, specifically work and family life balance, diversity, and community involvement similar to volunteering. All of the above have benefits as 'companies with a soul' who embrace diversity and promote balanced family and work life will have happier and more productive workers. Also companies that give back to the community through encouraging staff volunteering and community involvement attract better workers and engender loyalty. For the social aspect of BSR the central concern is one of inclusion and engagement with society thus attempting to articulate business with being a caring and involved citizen.

The social objectives of BSR are generally encompassed by the idea of stakeholding, or the idea that the business of business is more than business and so must take into account all groups, other than shareholders, who have a stake in the organisation. The idea of a stakeholder can also be extended to the natural environment (Jacobs, 1997).

VI. The NZ BSR position on stakeholding

The concept of stakeholding is one of the accepted positions of the NZ BSR and the terminology is widely used in BSR documents. The terminology of stakeholder groups was employed at the very first meeting of the steering committee (February, 1998) and while the concepts were readily accepted by NZ BSR members there was powerful external opposition to the concept from the NZBRT. Again the early public position on stakeholding and ownership was aired by NZ BSR spokesperson Dick Hubbard:

Raising the question of "business ownership," he remarked, "Businesses are just groupings of people within a legal framework. Land, buildings and equipment are simply tools. It is the expertise and knowledge of the people involved that enable the business to operate. " Pointing out that slavery was abolished last century and the ownership of people now prohibited, he called into question the common perception of owning a business. "Company leaders who consider themselves investors, rather than owners, open their

minds to seeing the bigger picture. This paradigm shift generally makes them better able to incorporate socially responsible leadership into their organisation and to observe the importance of the 'triple bottom line'" (Richardson, 1999)

This very broad position on stakeholding and ownership goes outside of the usual definitions which draw on the 'stakeholding' of different sectors of the community who have some interaction with the business. Hubbard draws on the discourse of the modern entrepreneur more often associated with ideas of intellectual property, globalisation, and paradoxically the New Right, as it has an intertextual resonance with New Right commentary on the shape of the modern business. In his 1996 speech Roger Kerr talks about the:

Beginning of the unravelling of the rationale of the corporation. Technological and other changes are transforming many economic relationships that used to be internal into fully open and contractual relationships. Corporations are focusing increasingly on their core activities and buying in inputs they once produced themselves.

Where Kerr uses the idea of contractual relationships to discount the necessity for individuals to be responsible for social initiatives, Hubbard proposes that those investors who adopt the modern idea of decentralised business relationships are more likely to adopt social responsibility. Both arguments follow the same sequence of a reference to the past—in Kerr's case to feudalism—and then a portrayal of the modern business entrepreneur. The ownership articulation is not as common as business centred understanding of stakeholding which is concerned with reputation:

Increasingly, businesses are becoming aware that their reputations are created by the way they are viewed by their stakeholders—and not just by what they say about themselves, and there is a significant awareness in the business world that reputations are constantly reinforced by positive affirmation from their stakeholders, as a directly (sic) result of the implementation of Socially Responsible business practices." (NZBSR, 2001a, p. 2)

Profit and stakeholding were articulated in an address to a business luncheon by Jon Mayson, Chief Executive of the Port of Tauranga and head of the

BSR affiliate Triple B, which was titled: *"To Earn a Profit you Must Earn & Retain the Respect of Your Stakeholders."* Mayson went on to say:

When the port announces its annual result in late August, the main indicator of performance will be its net profit, but the factors that have contributed to that result go well beyond the numbers on a balance sheet.... The port's success depends on the quality of relationships it has throughout its community. To earn a good profit, it must earn and retain the respect of its stakeholders. Exporters, importers, shipping lines, the people of the Bay of Plenty, staff, shareholders, local and national politicians-all have expectations of the Port and the way it conducts its business. (NZBSR, 2001b)

As previously noted the NZBRT articulated stakeholding with socialism, though Jon Mayson does not appear to have agreed as he was member of the NZBRT in 1998. The commitment to the idea of stakeholding and BSR in general was emphasised by Mayson: "Jon suggested they still had along way to go but when the company talked about partnership and respect they meant it, and when they talked about SR- they practised it and will continue to do so until they get it right" (NZBSR, 2001b).

The attempts by the NZ BSR to promote the social aspects of BSR were aided by the fact that the incoming Labour-led government of 1999 had a policy of inclusion that was in sympathy with BSR principles. While the concept of stakeholding was contested by the NZBRT it was already an accepted part of mainstream management discourse (Freeman, 1984), though generally from an organisation centred perspective . The NZ BSR conception of stakeholding, as outlined by Dick Hubbard, had similarities to the stakeholder capitalism orientation in the ThirdWay approach of the Labour government (Hutton, 1997). The BSR emphasis was therefore congruent with the times and the NZBRT antipathy to stakeholding was increasingly out of step with the social practice approach of inclusiveness, both at the level of the organisation and increasingly at the level of social organisation.

B. How and why did the discourse of social responsibility transform into a discourse of sustainability?

I. Introduction

The NZ BSR was established as an organisation to promote the three pillars of responsible business which were the economic, social, and environmental. Concern for the environment was always part of the NZ BSR mandate but a lack of experience in environmental matters meant that it was not a strong point of the NZ BSR message. Also, an environmental focus was not a major defining influence for many on the board. For some, notably Kerry Griffiths and Rodger Spiller, the direction of the NZ BSR was always intertwined with the concept of sustainability in that environmental considerations were considered an equal part. Rodger Spiller said when talking about the launch of NZ BSR, "it was definitely, that it was environmental, social and economic, the triple bottom line, all of that.... There certainly wasn't a distinction in my mind" (personal communication, April 4, 2007). This orientation was largely theoretical though as Kerry Griffiths acknowledged the group's lack of expertise to engage with environmental issues (see chapter 5).

The discourse of sustainability came firmly into the public arena in New Zealand with the founding of the NZBCSD. The acknowledged dominance of the NZBCSD as the business organisation for the larger NZ corporates was a turning point. The sustainability project of the NZBCSD was a powerful influence because of the (relatively) long standing articulation of sustainability and *development* (Ganesh, 2007). The AEBN was also a business organisation with a sustainability agenda but was considered to be even less mainstream than the NZ BSR. This can be partially explained by the roots of the organisation as it was connected with the Waitakere City Council, and also had close links with the organics movement in New Zealand. The NZ BSR had been established to be a group for business and, despite the majority of the members being relatively Small or Medium Enterprises (SMEs), it had a higher profile than the environmental business networks. The NZBCSD had also relaxed their membership criteria somewhat (see chapter 5) but were still positioned as the group corporate New Zealand identified with. The influence the NZ BSR and the

NZBCSD had on the discourses of social responsibility and sustainability respectively was profound.

II. The NZ BSR as social versus environmental organisation

The NZ BSR organisation was set up with a main focus on the social element while, as their names implied, the AEBN was an environmental sustainable network and the NZBCSD focused on sustainability. There was not an implicit understanding of, or need for, an environmental focus for some of the NZ BSR board members. For Rodger Spiller and Kerry Griffiths the development of the concept of sustainability was theoretically closely linked with the development of BSR. Through their academic involvement with the concepts they already had a sophisticated understanding of the principles of sustainability and the three elements of BSR. In addition anybody working with the notions of social responsibility or sustainability in New Zealand in the late 1990s was a pioneer as the language of BSR and sustainability was not widespread, something noted by Rachel Brown of the AEBN:

When the environmental business networks re-birthed in Auckland, which was 98, there was a discussion right then. Should we rename the environmental business network the sustainable business network? But in those days it was too early, people didn't get it. So we had to wait until people got it before we could start developing it. You can start something too early, and discussing it, and people will say it doesn't make sense. (Brown, R., personal communication, March 15, 2004)

There was also residual concern over the associations environmentalism carried with it. When researching the development of social responsibility in New Zealand, Kerry Griffiths wrote that she contacted universities in New Zealand to see what was being taught on the topic. She visited a professor at Victoria University:

He was very interested in what I was doing but a bit unsure about how this might be introduced into the business sector. He felt it would be "*best to stay away from the environmental angle*" as in his experience that was a "*real turn off*." (Original italics, Griffiths, 1999, p. 16)

The advice to "stay away" from environmental issues in New Zealand is in contrast to the usual explanation for the rediscovery of a sense of business social responsibility in the 1990s. Generally after the excesses of the 1980s

environmental issues were the "Trojan horse" (see chapter 2) by which BSR was bought back into the public consciousness. In the late 1990s the primary focus of activism was on the effects of globalisation and there was widespread publicity surrounding issues like sweat shops in developing countries, the attempt to introduce the Multilateral Agreement on Investment (MAI), and protests over the International Monetary Fund (IMF) and the World Bank (Kelsey, 1995; Klein, 2000; Ritzer, 2000; Schwartz & Gibb, 1999). In New Zealand the National Party had enacted the Resource Management Act (RMA) in 1991 to address concerns over resource use. The act was widely painted as intrusive and adding to the compliance costs for businesses that were already under pressure. There were environmental concerns in New Zealand, but environmentalism was associated with radical activist groups and not generally thought of as a business concern.

Also in the late 1990s there was also a high profile controversy over the plans by South Island forestry company, Timberlands, who wished to log ancient beech forests on the west coast of the island (http://www.pce.govt.nz/reports/allreports/0_908804_87_3.shtml). The protests against the proposed 'sustainable' logging by the conservation group Native Forest Action group were portrayed as conservationists standing in the way of economic progress against the wishes of west coast residents. This view was subsequently overturned with the publication of Hager and Burton's (1999) book *Secrets and Lies* which showed that public opinion had been manipulated by a public relations firm employed by Timberlands. Nevertheless, there was in New Zealand both the proud heritage of the pioneers who had broken in the country by clear felling forests and replacing it with pasture, and the fact that wood products were, and remain, an important export commodity for New Zealand. At the end of the 1990s New Zealand was in the grip of relatively high unemployment (Jesson, 1999; Kelsey, 1995, 1999) so any suggestion that the environment was being given precedence over human well-being was easily exploited. The social context at the inception of the NZ BSR, therefore, was that environmental issues were often controversial because of historical biases and the high profile stunts environmentalists had been forced to adopt to publicise their views. The discursive domain of environmentalism therefore consisted of a range of elements

that were not strongly associated with business practices, and even considered as a counter to economic progress.

Dick Hubbard's motivation for establishing the NZ BSR was a focus on social aspects. Through his subsequent membership of the NZBCSD Dick Hubbard developed his knowledge of the sustainability agenda but, as pointed out by Rachel Brown, an environmental focus or understanding by Hubbard or the NZ BSR group was not evident in the beginning. Rachel Brown commented that:

He talked about environmental stuff, he would refer to it but he didn't actually know what it meant, and he didn't know how to address those issues. So mainly the BSR were talking about the social benefits and social outcomes and they weren't really talking about environmental outcomes, or they were talking about it in too much of a subset category. So what was happening was that there was a division out there with people who were environmentally focused and people who were socially focused and they couldn't see that the two had equal merit. (Personal communication, March 15, 2004)

There was a perceived division in the focus of the different groups as Dick Hubbard was not the only member of the NZ BSR board to focus primarily on the social aspect. The motivation for involvement for several other board members was to develop the 'social' in BSR. The environment was not necessarily excluded, but it was not a major concern as it was not their immediate interest. When asked if they considered the focus of the NZ BSR to be on developing the social aspects of the business society relationship the reply from John Ferner was: "Yes. And environmental issues are only a subset of that" (personal communication, March 7, 2007). John Williams also said:

Well, my company, basically we made our money by writing software so we, I, didn't have very much experience with the environmental aspects of it. That would be the least of the aims of socially responsible businesses or organisations like the NZ BSR that I was interested in. The environment would be the least one. (Williams, J., personal communication, March 8, 2007)

Quite apart from the focus for different board members the understanding of environmental concepts was limited, which was apparent when it came to a specific understanding of sustainability. Understanding of sustainability was tinged with a variety of discourse strands or elements from being able to sustain business, through to environmentalism, eco efficiency, and globalisation. Similar

to other highly desirable words like 'democracy' and 'freedom' we all want to be 'sustainable' but the definition of sustainability has proven problematic (Allen, 2004; Dryzek, 1997) and the NZ BSR members drew on a range of definitions:

You just used the word sustainability in there, was that part of your original thinking?

Well certainly I don't think sustainability from an environmental stand point that we are hearing today. No I don't think that it was as much on the table then as it is now.... Certainly sustainability in terms of organisational sustainability, but not necessarily environmental sustainability. (personal communication, name withheld by request, February 7, 2007)

So what does the term mean to you, Sustainability?

Well I now see, I now see sustainability as an environment more around our work practices, you know to do with paper and the work environment. To me they are more environmental things. They are more about saving the planet at the biggest level, and about the things we are doing at the micro level there that we need to change practices. And so rightly or wrongly when I think sustainability, I think, solely of that. (Brown, W., personal communication, February 22, 2007)

Do you think that sustainability, as a concept should be part of social responsibility rather than the other way around?

For sure, because what do you mean by sustainability? To everyone it means something slightly different. To a lot of people sustainability means something environmental. To other people it means succession plans. It means different things to different people ... Social responsibility is a very broad term. I think sustainability is so much broader that it is almost useless. What does sustainability really mean and how important is it anyway? (Keene, R., personal communication, March 9, 2007)

The divergent possible interpretations of what constitutes sustainability allow it to operate as an umbrella term, a symbolic reference point, while the lack of a fixed meaning can be described as post-structuralist and post-modern in that the symbol referent association is fluid. Fairclough (1992) refers to an association like this as a "constant minimally constrained rearticulation of elements" (p. 95). The term sustainability is therefore shaped to fit the particular articulations required and a fixed meaning is unavailable or avoided.

The division between those who had a social or environmental focus was quite clear and thus represented a difficulty for the AEBN which was doing its best to shift the discourse to an environmental which it saw as the proper focus:

It [NZ BSR] had the environment as a subset of social responsibility, not being equal with the issues. So... they were looking at social responsibility in terms of people first, then other issues if you had time. And over time the environmental issues started to come to the fore as people started to see that the relationship between the environment and society were absolutely on a par with each other and if you affect one then you are affecting the other, so you had to take both of those issues seriously. So for me social responsibility was a bit of a misleading term for what we were actually trying to address because people used to always think that social responsibility was about people. (Brown, R., personal communication, March 15, 2004)

Rachel Brown was determined to get the business community "looking at the three pillars of sustainability or the three sequences of sustainability and not just focusing on one part of it" as she put it because "there was too much of a tension happening between the socials and the environmentals and we had to pull them together" (personal communication., March 15, 2004). Rachel Brown's position, and by association that of the AEBN, was to place equal emphasis on the environmental and the social in line with a systems or holistic approach. As with the understanding of Griffiths and Spiller the equal emphasis was 'in practice' largely theoretical as the environmental bias of the AEBN was evident.

As Dick Hubbard developed an understanding of sustainability his language also shifted to identify with the equal emphasis. This was evident when he was asked about the shift in terminology from BSR to sustainability and whether he considered if there is any difference between the two terms:

No, one encompasses the other I think. As I said before, Businesses for Social Responsibility was just a name that was plucked out of the air in the early days, when the debate was just starting. Social responsibility meant that you were responsible to the physical, social, and just getting outside of the sphere of just for profit and that's the debate. I guess as things evolved the terminology just sort of sharpened up a little bit. Someone popped up with sustainability and it has been a more appropriate word for what was happening.

Is it easier to sell an idea of being sustainable than it is of being a socially responsible person... to business?

I think what happens is that the public probably tends to use the term social responsibility and the business community tends to use the term sustainability. It means the same thing. When I talk to public groups I often talk about social businesses and social

responsibility, the business community perhaps talks about sustainability. (Hubbard, D., personal communication, March 11, 2004)

In this extract Hubbard comments that the *business community* uses the language of sustainability while *public groups* talk of social responsibility. He also contends that sustainability is the more accurate term. The articulation of big business and sustainability in New Zealand shifted the discursive ground. The subject position of the NZBCSD as powerful lobby group meant that the real work of business in society was seen to be occurring in sustainability and big business. The NZ BSR was associated with smaller business and did not see itself as an environmental group, and subsequently was not associated with the logic of eco modernism. Also sustainability was on the agenda of the Labour-led government and the NZBCSD was a business group committed to forging high level relationships with government. As a high profile group made up of CEOs of larger companies the group also represented an alternative and credible business organisation to the NZBRT that the government could engage with (O'Sullivan, 2002a). A shift in focus to sustainability also works to neutralise the discursive difficulty of dealing with the contested elements of the social agenda by subsuming the social under the more pressing and manageable concerns of the environment and eco efficiency.

The utility of the term *sustainability* lies in the sheer range of meanings that can be assigned to it. It is flexible in application and as it loosely offers the utopian ideal of material progress *and* a better planet it is positive and forward thinking. On the other hand, as a term, *social responsibility* illuminates the incursion of modern business into everyday life and tends to highlight the business response to associated problems rather than the anticipation of them. Peterson & Norton (2007) point out that despite the long history of the terms explicit connection between sustainable development (SD) and BSR has only recently begun to develop. They categorise CSR as a "defensive reaction to scandals, market disruption and international disasters" (p. 354). The authors go on to say that CSR has the potential to "move beyond this reactive stance" (p. 354). As pointed out in chapter two the terminology of BSR was first popularised in Bowen's (1953) book. As a term *sustainability* was originally associated with

the sustainable development of underdeveloped countries and was only popularised in the 1980s as an "integrating discourse, covering the whole range of environmental issues, from the local to the global, as well as a host of economic and development concerns" (Dryzek, 1997).

There was, therefore, a division drawn between the NZ BSR, the AEBN and the NZBCSD on the basis of their perceived functions and subject positions. The NZ BSR had specifically eschewed lobbying and had a domestic focus. They offered practical advice and information which included offering New Zealand examples of BSR and networking, but were without a developed environmental understanding. The NZBCSD had strong connections to the World Business Council and conducted lobbying at government level. Both of these groups were differentiated from the AEBN which was seen more as a grass roots movement with a strong environmental base and a broader membership.

III. Formation of the SBN

The division between the social concerns of the NZ BSR and the environmental concerns of the AEBN meant that a merger between the two groups was not seen as a natural partnership by all. The AEBN was looking to expand its membership base as it was wholly funded by membership subscriptions, as opposed to the NZ BSR which had been underwritten to a substantial degree by Dick Hubbard. Both groups were after the same membership, namely the SMEs. The AEBN was actively looking to merge with the NZ BSR as one of their concerns was the loss of influence over the sustainability agenda with the advent of the NZBCSD. Rachel Brown commented that:

With the Business Council coming on board... taking the large corporates away, they were getting well resourced and we had to make sure that the SMEs weren't going to miss out on the discussions. So to do that we had to strengthen a national organisation which is why we merged. (Personal communication, March 15, 2004)

The difference in the two groups was not limited to the size of business they attracted. The grass roots approach of the AEBN was reflected in larger concerns over how sustainability was to be enacted because, while both embraced the terminology, there were fundamental differences in approach. Similarly there

was a perceived difference between the NZ BSR and AEBN. When asked if there was tension in the board over whether to proceed with the merger John Ferner said:

Yes there was ... I remember it was very tense because there was some very suspicious people on our side [NZ BSR] about the motivations of the environmental people because there ... were a lot of... sitting down knitting their own cardies kind of environmental people, ... we wanted to get some things done, not have these sorts of extremists that just dragged the organisation backwards. It [NZ BSR] wasn't an organisation of extremist thought. It was an organisation of people trying to do something practical to move in that direction on a day to day basis. That was very much the emphasis, at least on the Businesses for Social Responsibility side. (Personal communication, March 7, 2007)

In order to make itself a potential merger partner the AEBN had to develop its business credentials and persuade the NZ BSR that it was a business organisation. The two organisations had interacted to a limited degree but there was still some distrust evident on the part of the NZ BSR board. When asked "What was the relationship with the AEBN when you first joined the NZ BSR?" Ferner replied:

There was no relationship at all. The whole idea came up while I was on the board to merge. I think that the environmental lobby was... seen with some suspicion at the time because it was a very monologue, and it was extreme in the sense that organic was the only way of doing anything. I think the emphasis on the Businesses for Social Responsibility was that there was a business case for it all and so it was, let us do what is practical... The people were quite practical, even the relatively academic people that were involved. They weren't extremist. (Personal communication, March 7, 2007)

The AEBN worked to reposition itself, however, as a more businesslike organisation by being represented at board level by business members, as outlined in chapter five. The objections of the NZ BSR board were thus largely overcome but there was still tension over the sort of organisation the combined SBN would be:

So the idea was about businesses because there was a clear sense that you didn't want all the lobby groups, and the non-profits involved. That was one of the downsides of AEBN ... because AEBN had a lot of consultants, lobby groups, non-profits, charities and so on, and that wasn't where BSR was. BSR was for businesses. So, one of the clear things that went

through the merger was to make sure that this was going to be a business-focused organisation. Others were welcome to join, but the constitution and I remember when it was written, we focused on that idea that it had to be for business and everyone else was second. (Lee, P., personal communication, March 6, 2007)

From its inception the NZ BSR had aspired to be an organisation representing larger business in New Zealand. It maintained its focus on a business constituency and insisted on that focus for the new combined entity. The shift to the dominance of the discourse of sustainability in New Zealand therefore occurred with sustainability being articulated with big business at important symbolic junctures, both for the business community and the general public. An important association for the NZBCSD was entrepreneur and founding member Stephen Tindall. He was a New Zealand icon as a self made man with his chain of *Warehouse* brand stores and his public profile was greater than that of Dick Hubbard. Tindall was also known for his philanthropy with the development of the Tindall foundation (<http://www.thewarehouse.co.nz/Content.aspx?id=100000048>), which has a social and environmental mandate. The NZBCSD also benefited symbolically, and materially, from the structure of the organisation which mirrored the NZBRT with only the CEOs of leading companies as members. The stature of the organisation was reinforced by the existing links members had with government and the close association with the WBCSD. The development of the symbolic importance of the NZBCSD occurred against the background of heightened international awareness of global warming following the development of the Kyoto Protocol in 1997 which positioned the issue of sustainability as urgent and imperative.

At a more pragmatic level Dick Hubbard's signal of his intention to step back from the organisation he helped create coincided with the AEBN drive to merge with NZ BSR. The centrality of the Hubbard subject position and the social capital he brought to the NZ BSR organisation meant that there would be a symbolic gap around the meaning of BSR on his departure. In addition, and quite apart from the growing perception of sustainability as being the language of business, there was the ongoing difficulty experienced by some in the NZ BSR in defining exactly what social responsibility was as a functional concept. In chapter five there were examples offered of the lack of organisational identity and

purpose. The 'intangibility' of the organisation and what it stood for continued through the life of the organisation. This lack of clarity helped to privilege the apparently transparent, but in fact equally opaque, discourse of sustainability.

Annette Lusk said that:

I think in a way social will always be the poorer partner of... sustainability... because it is less defined and you can't sell the business benefits as easily as you can the sell the business benefits of waste management. So it will always be the poorer cousin. (Personal communication, March 9, 2004)

The hard figures that can support sustainability initiatives, like waste management and energy efficiency, underpin the discourse with scientific/managerial elements that cannot be so easily extracted from social initiatives. The rise of sustainability as the dominant discourse was therefore a result of the confluence of events described above; the irruption of new environmental concerns into the public consciousness, the waxing of the NZBCSD as a powerful symbolic leader with international connections and importance, and the waning of the NZ BSR with the gradual withdrawal of its charismatic leader.

In this section the shift from a discourse of BSR to Sustainability has been considered. The possible ramifications of the discursive shift and the future of the concept of BSR will be more closely considered in chapter seven.

C. To what degree did the NZ BSR organisation function as an inter-organisational network, that is, in terms of shared interests, vocabulary, and identity?

In this section the focus is on how the NZ BSR functioned as a network followed by the communication networks developed between the NZ BSR and other organisations, paying special attention to shared interests, vocabulary, and identity. The areas of network analysis that are most relevant to this study are the centrality of actors (Monge & Contractor, 2003), the connections they forged at the dyadic and interorganisational level, and the social capital (Burt, 1997) individuals brought to the intraorganisational networks. The personalities involved in the different groups as working friendships were also important.

Analysis at the interorganisational level looks to position the NZ BSR in relation to other groups and considers the social capital of the groups and how that translates into interorganisational ties. There was also an interlocking directorate (Mizruchi, 1996; Monge & Contractor, 2003; O'Hagan & Green, 2002) developed in that Dick Hubbard was invited to be on the board of the NZBCSD at its formation. Rodger Spiller became the executive director of the NZBCSD in 2000 as well as heading up the NZCBESD which he also founded.

There were attempts to develop network links to other organisations including board member John Williams' sustained attempt to get the NZ BSR and New Zealand Rotary working together on a national business award. There is reference in the board minutes to a lower key attempt by Kerry Griffiths to get "Maori and Pacific Island networks connecting regarding involvement in BSR events" (Board minutes, Item 2, Friday, Dec 10, 1999). How the NZ BSR functioned as a network is considered next before the interorganisational connections are mapped.

I. The NZ BSR as network

Despite being established as a group to provide networking opportunities for the BSR movement in NZ the NZ BSR did not have great success in achieving that goal. There were NZ BSR groups in Auckland, Wellington, Palmerston North and Christchurch but in many ways they were distinct groups. The links that existed were a result of board membership and the bridging, or liaison, function board members performed. The strongest representation on the board was from Auckland and Wellington with members from both areas instrumental in the founding of the national group. The original, and central, members were Dick Hubbard, Rodger Spiller and Kerry Griffiths. Kerry Griffiths persuaded Wes Brown to join the steering committee as they were connected through business. The original steering committee was made up of Dick Hubbard, Kerry Griffiths, Rodger Spiller, Wes Brown, Richard Keene, and Lauren Maser. Of the steering group members all had heard of Dick Hubbard's plans to establish a New Zealand BSR group, either through newspaper or magazine articles or the *Clipboard* 34. Richard Keene was also involved in the food industry in Auckland in common with Dick Hubbard. The connections between the central individuals were therefore asymmetric in that they did not have any prior ties to each other. As the

group began to radiate out the individual nodes used their existing links (symmetric links) to other business people (Monge & Contractor, 2003) to engage them in the group.

The most successful of the branches was Wellington which was a tight knit group who, by their own acknowledgement, did not fully represent their catchment. Board member Meredith Osmond commented: "it was quite a small intimate network in Wellington, and we only could really work with that network, which had some significant limitations, in that we didn't have people from Porirua, and Lower Hutt" (Osmond, M., personal communication, February 23, 2007). Porirua and Lower Hutt represent major population and industrial areas of Wellington. The Wellington branch was also different from other regions as they had a small but committed central group. Board member Meredith Osmond said of the differences between Wellington and Auckland:

If I was going to draw some diagrams about my impressions of ... BSR down here... it started quite big, but the group that continued... was small and people who liked each other... and people who brought friends on board... and we only could really work with that network.... The institutions weren't on board with us, so it was a very personal and friendly, we liked each other, we liked getting together. (Osmond, M., personal communication, February 23, 2007)

During the life of the NZ BSR the strongest regions were Wellington, Auckland, and Christchurch. Palmerston North branch was active for a period with John Williams performing the function of the 'bridge'. By 2001 however the Palmerston North branch was in danger of collapsing with John Williams "despondent regarding BSR's future" (board minutes, 8 May 2001). The Bay of Plenty region was active with its hybrid BBB organisation and although the structure of BBB was discussed and endorsed by the NZ BSR board (minutes, 1 February, 2000) no formal relationship was ever signed.

The main intraorganisational contact was when Dick Hubbard, and some others, made speaking tours but other face to face contact with the national branch executive bodies was intermittent. The network nodes, or regional centres like Christchurch, operated on a shared governance model whereby the "organizations composing the network collectively work to make both strategic and operational decisions about how the network operates" (Provan et al., 2007). The National

Business Manager travelled to the regions in 1999 and when Annette Lusk was appointed as NZ BSR executive director (2001) there was a board note (under Item 3, Executive report, 8 May) that she should also undertake regional visits but there is no documentary evidence that the visits took place. Another opportunity for regional interaction was conferences, although the conferences were held in Auckland which made it more difficult for regional members to attend. Efforts to get regions more involved by hosting conferences were not successful with both Wellington and Christchurch passing on the opportunity.

Comment from board members indicates that the NZ BSR never became a cohesive network. Peter Lee was co opted onto the NZ BSR board and in the minutes (12 October, 2000) it notes that Lee was to "act as liaison person between the board and the regional committee." When discussing the merger between NZ BSR and AEBN, Lee commented that: "What was clear to us, one strength of AEBN was that it was a network, BSR never was" (personal communication, 2007). The issue of regional development had previously been identified in 1999 (board papers 29, July, item 10) when it was noted that the "board sees the need for more deliberate development, particularly in Auckland" and proposed that Steve Bonnici be asked to become the Auckland co-ordinator. Wes Brown commented on the lack of a cohesive Network in Auckland when he said:

Dick never really managed to get a network of BSR together in Auckland and I think it is partly the nature of Auckland ..., there is no place to do it. Probably be better off to do it down Manukau [*Auckland satellite city*]... rather than up in Auckland. Whereas it was quite a healthy network in Wellington that met quite regularly, and also I think at the same time some things just start to align together. There were quite a lot of initiatives happening in the public sector.... and so in lots of ways there was a momentum in Wellington that was a logical momentum for Wellington that made a national thing I think look a little bit awkward. (Brown, W., personal communication, February 22, 2007)

The Christchurch branch of NZ BSR operated almost as a separate entity and developed their own agenda as they appear to have had limited contact with head office. The National Business Manager's report (24 March, 1999) noted that:

Christchurch-members are doing things differently here. They are gathering regularly to discuss what SRB is for them, and then want to focus delivering that message publicly. This group

needs active involvement from NZ BSR national office, and some expectations are difficult to meet at present. (p. 1)

The previously identified (Ch. 5) lack of connection with the Christchurch group is illustrated by the groups' plan to hold a debate with opponents of BSR as they weren't aware of the Wellington debate in 1998, one of the defining moments of the development of BSR in New Zealand. An effort was made to overcome their sense of disassociation with the appointment of a Christchurch representative to the national board (2000). The board minutes of 12 October (2000) note: "Paul (McGahan) said it was important that the board "listened to grass roots comments from the branches." John Williams added that "this was happening in Wellington, Palmerston North, and Auckland and that Paul could now provide this for Christchurch given his board role."

The differences between the regions were part geographical and part regional function. Wellington is a much smaller, geographically compact, region compared to Auckland and also, as the seat of government, is where many of New Zealand's larger corporations choose to maintain their head office. At the level of government any developments in policy are heard about and explored within the Wellington business community. Wes Brown commented that there were "quite a lot of initiatives happening in the public sector" and refers to the inherent logic of Wellington being a stronger centre. During an administrative upheaval in the group (1999) Kerry Griffiths suggested, and it was provisionally agreed, that the NZ BSR secretariat would move to Wellington, though this decision was later rescinded (see Ch. 5).

There were plans to extend the network as there was some discussion in the National Business Manager's Report (23 April, 1999) of the possibility of a Northern Branch of NZ BSR in Whangarei. Dick Hubbard and the National Business Manager scheduled an event for Whangarei and set the establishment of a northern branch as an objective but there is no record of any further progress. While the NZ BSR was promoted as a national organisation there were difficulties encountered in implementing a cohesive national strategy. The communication networks between the regions and head office were not fully developed and there were differences between the capabilities of the regions.

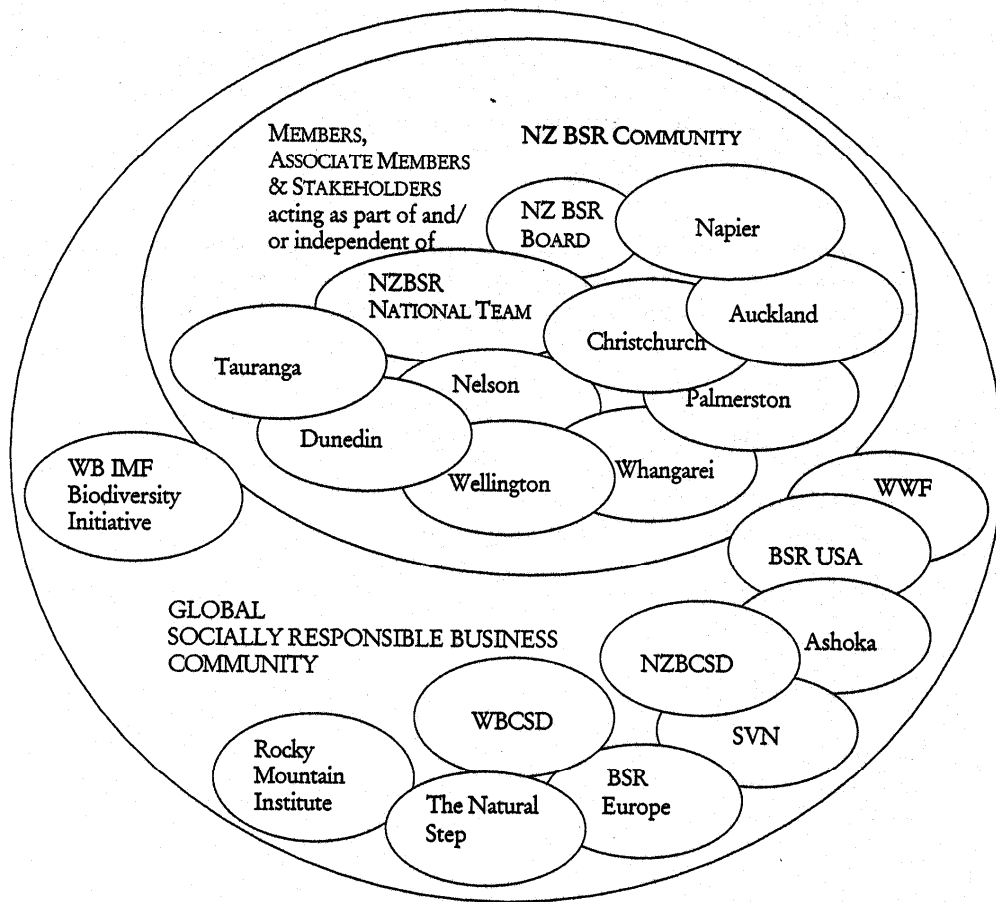
II. Types and intensity of links

The intraorganisational relationships of the NZ BSR have been explored and in this section the interorganisational relationships will be examined. The NZ BSR had a view of where it fitted in the world of socially responsible business both nationally and internationally. This was depicted in a diagram as part of a values session conducted in 1999 (Figure 5, p. 168). In this diagram the NZ BSR community is shown as representing many New Zealand regions with multiple centres listed. The illustration was somewhat optimistic in this regard as the NZ BSR did not achieve this level of representation, but the broad inclusion of New Zealand regions is explained by discussion recorded in the notes regarding the definition of the NZ BSR as "organisation" or as "community." There was subsequent agreement recorded that the two would be separated out.

Figure 5. Diagram of NZ BSR Community within the SRB Community.
(Source: BSR values session document, 10 June, 1999).

NZ BSR VALUES SESSION 10 JUNE 1999

A Picture of the NZ BSR Community within the SRB Community



The illustration drawn therefore demonstrates a comprehensive definition of the NZ BSR as "community" which includes associate members and stakeholders who were a part of, or independent from the NZ BSR. Under the heading *Establish What Relationship BSR Has to the SRB Community* (Values Session, 10 June, 1999) is the following:

- NZ BSR (the organisation) is a facilitator in the SRB community, acting as a conduit to enable growth and exchange among members of the SRB community.

- NZ BSR (the organisation) as a magnetic force, drawing members and other SRB organisations to it's (sic) community – so powerful and compelling because of how we are being as opposed to what we are saying.
- NZ BSR (the organisation) in partnership with it's (sic) members.
(Values Session, 10 June, 1999)

The NZ BSR group obviously saw themselves as being, or becoming, the epicentre of the BSR movement in New Zealand and subsequently drawing in other organisations. This would be achieved by the group living the BSR ideals "because of how we are being as opposed to what we are saying" (Values session, 10 June, 1999). While operating as a strong statement of intent there is also a sense that what is on offer is first and foremost a powerful 'force' for good, almost an article of faith, with the NZ BSR vision, and version, of BSR being the strongest of the possible offerings. The NZ BSR considered itself as a distinct community from other values based organisations as the NZBCSD is positioned outside the NZ BSR community as part of the global SRB community, along with the WBCSD and the US and UK BSR organisations. Another view of how the NZ BSR saw its connections with other organisations is provided in a chart included in the strategic plan for 2001-2003 (table 3 below).

Table 3. Other organisations in Relation to NZ BSR. (Source: NZ BSR strategic plan 2001-2003).

Appendix One

Other Organisations in relation to NZBSR

Abbreviations

SMEs	Small and medium sized businesses
LGE BUS	Large businesses
ORGs	Various organisations
E & T	Education and training
ID	Information dissemination

Organisation	Target	Method	Cover	Existing Links	Key Word
BusinessCare	* SMEs	* E & * ID	* National	* -	* Sustainability /Cleaner production
TNS	* LGE BUS * ORGs	* E & T * Services	* National	* Landcare	* Sustainability
EBN	* SMEs * ORGs	* E & T * ID * Services	* Local	* -	* Ecological sustainability
Zero Waste	* ORGs	* E & T * ID * Funder	* National	* Funding Links	* Waste
ENVTL CHOICE	* ORGs * Consumers	* Services	* National/ International	* MFE	* Ecolabelling
RONZ	* ORGs	* Services	* National	* -	* Recycling
Landcare	* ORGs * LGE BUS	* Research * Services	* National	* NZBCSD * TNS	* Triple bottom line
NZBSR	* SMEs * Individuals	* E & T * ID	* National	* NZBCSD	* Good Business Practice
NZBCSD	* LGE BUS	* E * ID	* National/ International	* -	* Sustainability
EECA	* SMEs * LGE BUS * ORGs * Consumers	* E & T * ID * Services * Funder	* National	* MFE	* Energy Efficiency
WasteMINZ	* ORGs	* E * ID	* National/int	* MFE	* Waste

While it is not stated, the links listed in the *Existing Links* column are presumably formal, or established links. The only link listed for the NZ BSR is with the NZBCSD, which is not reciprocated. This asymmetrical connection can be explained by Dick Hubbard and Rodger Spiller's involvement with the NZBCSD. Despite overtures in 1998 from the Auckland and Waikato EBNs there were still no formal links with the NZ BSR which resisted too close a connection with the AEBN because of the positioning of the different groups, something that was evident to Rachel Brown:

When they first started we went and talked to, or tried to talk to [NZ] BSR about the two organisations really working collaboratively or even merging. But they weren't so interested. I think they thought we were a bit too radical at that point their business model was trying to get the larger end of town as we were going for the smaller home grown. (Personal communication, February 21, 2007)

Kerry Griffiths had questioned the value of a link with the Waikato EBN (October 22, 1998, see chapter five for discussion) on the basis that the NZ BSR needed to clarify its own product and service delivery aims before entering into any formal arrangement with another group. She mentioned the possibility of converting EBN members to BSR and having them become the environmental sector of NZ BSR so her reluctance to embrace the EBN group was apparently pragmatic. Her view may have been coloured, however, by her earlier experiences where she had been involved with the EBN in Wellington; a time she recalls in her masters thesis:

My early explorations took me to two initiatives which had a strong environmental focus – the Environmental Business Network (EBN) and The Natural Step (TNS). I found myself connecting with whom I had never encountered before – it wasn't so much the individuals themselves but the atmosphere and ways of working that I found quite strange. Maybe it was something to do with working in non-profit and local government organisations, maybe it was something to do with coming together to do something so big with people you knew so little. These groups wanted to engage with business and to persuade business to change but they were often not business-like in their behaviour and their perspective of the business world was not a particularly positive one. Financial constraints constantly dominated thinking and actions. And it always seemed like there was someone 'out there' who needed to change. (1999, p. 21)

Griffith's concern at the way the environmentally focused groups thought and functioned lead her to decide that they were not the solution and she would look for an alternative: "We closed down the work of the EBN in Wellington as it had little impetus left and I kept a loose association with the TNS group" (Griffiths, 1999, p. 22). There were some areas however where it was seen the AEBN and NZ BSR could work together on group projects. An example was an initiative to link the NZ BSR with government, EEO, and the AEBN. The National Business Managers report (23 April, 1999), item 7 reads: "Working together—BSR, EEO, EBN. At Dick's instigation, a meeting between BSR, Equal Employment Opportunities Trust and the Environmental Business Network is being held on May 19, to explore opportunities to work together."

Another interesting omission is the Triple B organisation that was initially discussed in February 2001 when a proposal was presented to the NZ BSR board. When asked about the linkage Annette Lusk Responded:

Triple B was interesting because it just started about 6 months before I took it [NZ BSR] over. Triple B was the beginnings of the idea that you could merge environmental and BSR because that is what they started off doing. They made a pact with BSR that 50% of their membership would come from BSR, which was far too much, and they would use the BSR name. But then they would also do environmental stuff as well, so they were actually the first to set up a concept of the sustainability business network. But there was nothing ever formalised, even though they were using our brand and were meant to pay us money, and eventually they paid us a bit but we never got around to actually doing the formal document. But they would sit on our board I think, or reported to us. (Personal communication, March 9, 2004)

Despite using the BSR brand the NZ BSR is not noted in figure 3 (p. 169) as having a connection to the Triple B organisation. This may have been because the Bay of Plenty EBN, which became the Triple B, approached the NZ BSR and suggested a link as a way of reducing the impact of the NZ BSR organisation on the small potential membership base in the area.

III. Suggestions of relations of power within and between entities/institutions

The link that the NZ BSR wished to develop above all others was to the NZBCSD. Table 4 below (p. 172) is from the 2001-2003 NZ BSR strategic plan and shows how the NZ BSR saw itself relative to other groups.

Table 4. Relative positioning of groups. (Source: NZ BSR strategic plan 2001-2003).

Relative positioning of groups

High Level Issues		NZBSR NZBCSD	ZW	TNS
	EBN (aim to become national)	EECA		Landcare
		Business Care		
Specific Issues		RONZ WasteMINZ		Envtl Choice
	Local	National		International

The Market

The number of Business in New Zealand
(based on the 1999 census data)

Number of staff	Number of enterprises	% of Total
0-5	223 203	86
6-9	16 555	6
10-49	16 768	6
50-99	1 406	05
100+	1272	0.5
Total	259 204	

New Zealand business is consists primarily of small companies employing between 0 and 5 people. This makes it very difficult for companies of this size to contribute time and resources to NZBSR.

In the top of the table the NZ BSR is positioned as being one of the groups that could deal with high level issues at a national level along with the NZBCSD. One of the ways in which the power relationship between the different groups was displayed was through positioning of the organisation on the size of the businesses they attracted. Meredith Osmond commented on this as a tension between the groups:

Well I think in the end it wasn't [NZ] BSR, it was the Business Council for Sustainable Development that was more powerful, and there was a tension between the two, and you know Dick was on it and Rodger Spiller was on it, and ... they had feet in two camps and it seemed that NZ BSR was becoming the smaller business organisation and the Business Council was the bigger organisation ... It had very big fees, it excluded smaller organisations like ours, and so there was some tension there between the two. (Personal communication, February 22, 2007)

The pool of businesses in New Zealand who identified with values based business organisations was small so when the NZBCSD diluted its membership criteria in 1999 the two organisations were targeting many of the same businesses. The solution considered by the NZ BSR was to forge a closer relationship with the NZBCSD but as the NZ BSR resisted too close an affiliation with the AEBN it appears the NZBCSD likewise resisted too close a connection with the NZ BSR.

Dick Hubbard endeavoured to have closer connections at the Board level by inviting Stephen Tindall and Dr Kathy Garden of the NZBCSD to join the NZ BSR board (board minutes, January 28, 1999) but both declined for reasons of personal circumstances and time constraints (board minutes, February 25, 1999). The same two had been identified as potential board members in 1998 (board minutes, November 27) but there is no record that they were approached at that time. Dick Hubbard was invited to join the board of the NZBCSD at its inception. One of the key reason why boards have interlocking directorates is identified by Mizruchi (1996) as *legitimacy*. In the context of for profit firms appointing a director with ties to other important organisations indicates to potential investors that the firm is worthy of support. In the context of the NZBCSD Hubbard was symbolically important, along with Stephen Tindall, as a leader in the area of values based business. Similarly, Rodger Spiller was the highest profile academic spokesperson in New Zealand on values based business and investment. His appointment to the position of executive director of the NZBCSD in 2000 also provided legitimacy to the NZBCSD because of his specialised knowledge. As pointed out above the connection between the organisations was asymmetrical and never developed beyond an informal level between the organisations. The lack of formal connection does appear to have impacted on the NZ BSR as Meredith Osmond commented that:

Business Council for Sustainable Development kind of needed BSR but it could never get past itself in order to get a collaboration going and perhaps that's partly why BSR struggled. (Personal communication, February 23, 2007)

Also in table 4 (p. 172, top diagram) the NZ BSR is shown as being a national group situated above the NZBCSD as a group that deals with high level issues on a national basis demonstrating that the NZ BSR considered itself,

theoretically at least, to have significant social capital (Burt, 1997). One group not mentioned on these charts is the New Zealand Centre for Business Ethics and Sustainable Development which was founded by Rodger Spiller in conjunction with Auckland University of Technology. In his capacity as director of the NZBCESD Rodger Spiller oversaw the National Business Ethics awards and had input into the Rotary/ NZ BSR ethics awards which were based on the national award (board minutes, 12 October, 2000). The functioning of the NZBCSED is relatively high profile in that it is strongly associated with the Deloitte/ Management Magazine annual Business Ethics awards. Spiller functioned as bridge between his own organisation, the awards, and the NZ BSR. During 2000 John Williams was instrumental in establishing an ethics award for smaller business in conjunction with Rotary New Zealand where he similarly acted as a bridge. He drew on his connections in Rotary to attempt to develop a working relationship between NZ BSR and Rotary New Zealand where it was proposed that all Rotary Clubs, "organise one BSR goals – oriented meeting per year, where they invite representatives from local businesses to attend" (email March 1, 2000). The links between NZ BSR, the NZBCESD, the ethics awards and Rotary New Zealand were also strong symbolic markers of a mainstreaming of BSR.

IV. Relationship with government

The development of a relationship with government was not an early priority for the NZ BSR. In his early thinking about the function of the NZ BSR Hubbard had anticipated a lobbying function but the steering committee minutes show they agreed that they would not undertake lobbying. There was some interest at the highest level of government as Hubbard recalls being asked to go to Wellington to discuss the concepts he was talking about in 1996 and Prime Minister Jenny Shipley visited Hubbard and other NZ BSR Board members in Auckland in 1998. Dick Hubbard's recollection is that the NZ BSR was inward looking and focused on providing a service to members whereas the NZBCSD was outward looking and concerned with the bigger picture of policy development.

The group also had a strong social focus; an area the Labour government was also concerned with and was arguably voted in to pursue. In that sense there

was little the NZ BSR could offer and the main developments, in terms of connections with external groups, occurred with the increasing government focus on issues of sustainability. Rachel Brown's comment on the NZ BSR relationship with government was that:

The NZ BSR didn't seem to have very strong relationships initially with government. That grew over time so in the last year [2001] they started forming strong relationships with government and with ministries whereas the Environmental Business Network was clearly linked with the Ministry for the Environment because their work was so much more attuned. But now the Ministry of Environment is actually starting to change and it has a sustainable industries project which is reflecting that whole discussion change. (Personal communication, March 15, 2004)

Other contributing factors to the lack of government contact were the relative newness and controversial nature of the group. Meredith Osmond of the Wellington branch recalls of that time:

[Of the] Public service here in Wellington, individuals rather than government agencies, they weren't prepared to join NZ BSR as a department, I've noticed that's changed now, a lot of them, like ACC has joined the SBN and some of the other government departments. But ... they saw it [NZ BSR] as an advocacy group and they weren't prepared to take a side on it, back then, and so mostly it was individuals joining from those larger organisations. (Personal communication, February 23, 2007)

A turning point in the relationship between the NZ BSR, AEBN, and NZBCSD occurred when Annette Lusk became NZ BSR executive director in 2001. The three strongest New Zealand values based business organisations subsequently had women in pivotal positions and Annette Lusk said that:

With Jo Hume being on board... you almost got this little triangle of Rachel running AEBN, me running BSR and Jo pretty much in control of Business Council (NZBCSD), and so ... we sort of ran things from there and we networked and worked things out between the three of us and made things happen. (Personal communication, March 9, 2004)

The appointment of Annette Lusk coincided with a number of developments in the NZ BSR, one of which was the membership squeeze that all the values based business organisations were experiencing. As the NZ BSR board

was looking to open formal links with the NZBCSD there was also informal discussion occurring between Annette Lusk and Rachel Brown of the AEBN; Rachel Brown described the relationship thus:

Annette and I met after... Annette got the job... and the two of us sat and started to go; why don't we see if these two organisations can first of all work together more collaboratively? Because at that point BSR was starting to seek membership... and we were getting calls from our members saying that they were having BSR asking them to join. Annette and I were... saying; this is crazy. If we have two organisations and the same members are joining each other... we needed to have a discussion. Also that we were starting to see the seminars... were getting really similar too, the topics were the same (personal communication, March 15, 2004)

The friendship of the administrators was instrumental in driving closer relationships between the groups and was ultimately very important in the merger of the AEBN and the NZ BSR. The relationship can perhaps be described by the theoretical mechanism of Homophily; "the selection of others who are similar" (Monge & Contractor, 2003, p. 223; see also McPherson et al., 2001) which is influenced by shared interests, in this case values based.

In this section how the NZ BSR functioned, or failed to function, as an inter-organisational network has been considered. The NZ BSR was established at a time when the EBN network was being re-established and just prior to the founding of the NZBCSD. In terms of networks the NZ BSR was pulled between the two as the NZ BSR members identified with the more business oriented NZBCSD but failed to establish formal connections with that group. Instead they drew most of their support from the SME membership which characterised the EBNs and had a working, but still informal, connection with them. The informal networks resulted from the interlocking directorates of Dick Hubbard and the multiple organisational connections of Rodger Spiller and other board members. Also important were the individual connections that ultimately resulted in the AEBN and the NZ BSR being drawn closer together.

Conclusion

In this chapter the three primary research questions have been addressed. The first question was: In what way did the NZ BSR organisation contribute to the public discourse of social responsibility? This has been covered with first, a

description of the attempt to articulate socially responsible business with the multifaceted and high profile subject position of Dick Hubbard. Next was an examination of the attempt by the NZ BSR to position itself as a business organisation and how that was resisted. In order to position BSR as a valid business practice the NZ BSR attempted to articulate the economic with values, an approach which was also resisted. Finally the NZ BSR contributed to the public discourse of BSR by advocating business as caring and involved which stems from the underlying concept of stakeholding.

The second question was: How and why did the discourse of social responsibility transform into a discourse of sustainability? This question was answered by an explanation of how the concept of sustainability overwhelmed BSR. Many members of the NZ BSR thought the aims and objectives of their group to be different from sustainability but were eventually convinced that a pragmatic merger with a sustainability group (AEBN) would enable BSR ideas to be continued.

The third question was then considered: To what degree did the NZ BSR organisation function as an inter-organisational network in terms of shared interests, vocabulary, and identity? This question was addressed with a description of the types and importance of intra and interorganisational links.

In chapter seven the meaning of BSR in New Zealand will be considered along with the effects of BSR on social practice and the relationship between concepts of BSR and the theory and practice of democracy.

Chapter Seven

Findings III. Confusing BSR and Sustainability

Introduction

In chapter six the three research questions were addressed with reference to key relevant concepts from critical discourse analysis. We learned for example that the NZ BSR organisation contributed to the public discourse of social responsibility by articulating socially responsible business with the high profile subject position of Dick Hubbard. There was also the attempt by the NZ BSR to position itself as a business organisation but that construction was resisted as the NZ BSR was not seen as a mainstream business organisation. The NZ BSR discourse tried to construct BSR as a valid business practice by articulating the economic with values, an approach which was also resisted. Finally the NZ BSR contributed to the public discourse of BSR by advocating business as caring and involved which stems from the underlying concept of stakeholding. There was also an explanation of how the concept of sustainability gradually overwhelmed that of BSR. Though the aims and objectives of the NZ BSR were considered to be different from sustainability NZ BSR board members were eventually convinced that a pragmatic merger with a sustainability group (AEBN) would enable BSR ideas to be continued. Finally we saw how the NZ BSR organisation never really functioned as an intra organisational network but there were multiple inter-organisational links. The most important link was considered to be with the NZBCSD but that association was never formalised.

This chapter will take the analysis further by considering first, an overview of the meaning of BSR in NZ; followed by a more in depth discussion of the relationship between BSR and sustainability. Second, the role of BSR after the NZ BSR is considered, the influence of BSR and how being incorporated in sustainability will affect the concept of BSR; how social practice was affected by and finally, the implications of business being involved in the setting of values considering the theory and practice of democracy.

A. The meaning of BSR—Overview

What was, and is the meaning of BSR in New Zealand? At a functional level the NZ BSR was a group formed to promote the idea of business social responsibility taking its inspiration from the international BSR movement. The focus of the group, outlined in the original planning documents, was to provide information, practical examples of BSR, and networking opportunities for like minded businesses in New Zealand. While there were practical initiatives undertaken, the hope of a national resource centre for the dissemination of information on BSR was never fulfilled. The sporadic publication of the *Today* newsletter was often only possible because it was underwritten by Dick Hubbard and the web site proposed as part of the communication strategy was never fully developed. The most prominent roles the NZ BSR played were the speaking engagements undertaken, primarily by Dick Hubbard and Rodger Spiller. There was also the organisation of seminars and events in the main centres and the three national conferences which were held in conjunction with the AEBN, the NZBCSD, or the NZCBESD. At a symbolic level BSR was important to reinforce the legitimacy of business in society which had suffered as a result of economic restructuring in New Zealand. By the mid to late 1990s social stability was beginning to show signs of stress and the intimate connection of societal and business health was being explored. A study into the state of BSR in New Zealand by von Tunzelmann and Cullwick (1996) found that:

Recognition of the major influence the social environment has on the climate for competitive business is, however, beginning to be expressed as a reason for business involvement in achieving social goals, particularly social stability and cohesion. This relates to New Zealand companies operating within New Zealand and in a global context. (p. 11)

The authors went on to say that the view of what social responsibilities business had, and how they were best enacted, was beginning to shift from a traditional view where social responsibility was "associated with a general belief in the importance of contributing to the maintenance of society and the community" (p. 28) to a more strategic view where social responsibility could be central to the company purpose and form part of the strategic intent of the company. There is no doubt that adopting social responsibility as a major platform

of the business values of Hubbard Foods helped the brand enormously in terms of achieving legitimacy and brand recognition in the late 1990s and beyond. In her *Masters in Responsibility and Business Practice* (1999) Kerry Griffiths commented that the concept of social responsibility had progressed beyond narrow conceptions of good corporate citizenship to a wider view of "community involvement and participation which focuses on enhancing commercial reputation and the wealth of society as a whole" (p. 15). She also noted that the increasing prominence of BSR in New Zealand was marked by business attending more to social than environmental concerns.

The more pragmatic, functional, reasons for the renewed interest in concepts of BSR have been well documented (see chapter 3) but it is also in the nature of BSR that a political position is implicit (Gray et al., 1996). The function of BSR is that of an evolutionary mechanism to promote change, primarily the broadening of the sphere of responsibilities that an organisation must consider. There are those on the radical right of the spectrum who believe that no change is required, and would in fact be detrimental. On the other end of the spectrum the radical left believe that BSR is merely another tool to aid the advancement of capitalism. Despite an implicit political position the BSR movement internationally is not overtly political and the New Zealand group was no exception. The NZ BSR was nevertheless accused of a political position, or of promoting a leftist point of view, with its advocacy of stakeholding. The NZ BSR therefore played a number of roles which evolved over the life of the group. The high profile of Dick Hubbard meant that the NZ BSR initially worked as a symbol of resistance to the attempted imposition of neo-liberal hegemony. There were only a few business people publicly voicing concern over the influence of neo-liberal policy in New Zealand and certainly no business groups. Harris and Twina (1998) wrote that:

Dick Hubbard's organisation Businesses for Social Responsibility is one indication that not all firms share the Roundtable's view of the role of the corporation in society nor of how the economy and society should be organised. It is a welcome development for democratic debate in our society that this organisation has been established. (p. 214)

The symbolic development of the NZ BSR occurred prior to its official incorporation in 1998 and during that time it had the role of a quasi-social

movement. The concept of BSR was an effective rallying point as a great deal of the support demonstrated for Dick Hubbard's proposed organisation was derived from individual citizens, academics, consultants, and others concerned about the dominant position and policies of the NZBRT and the relationship of business and society generally. Dryzek, Downes, Hunold, and Hernes (2003) say a social movement "can be characterised as an association or set of associations organised around a common interest that seeks to influence collective outcomes without obtaining authoritative offices of government" (p. 2). The ostensible business focus, and concern with issues they saw affecting business and society as a whole, gave the group the appearance of a generic 'trade' association. Hubbard intended the NZ BSR focus to be on a business membership but interest in BSR was not confined to business precisely because of the issues being addressed. The NZ BSR common values were that businesses had a social responsibility to fulfil and that fulfilling that responsibility could be good (profitable) for business. The NZ BSR slogan, *Advancing New Zealand through Socially Responsible Business* captures some of the outward looking ideals. Over time the evolving and somewhat subjective nature of BSR meant that exactly what the group stood for was not always fully transparent even to those involved with it. It was noted by both Wes Brown and Richard Keene that the NZ BSR got a lot of its early momentum from the vocal criticism of Roger Kerr and other neo-liberal commentators. The NZBRT attempted to paint BSR, and the NZ BSR by association, as a reactionary group suggesting they were driven by failed socialism (Henderson, 2001a; Kerr, 1996). Wes Brown said of Dick Hubbard: "I guess with every revolution there's always the radicals and the ones who are right out there, who are sort of, the terrorists, but Dick was never a terrorist." The NZ BSR was only 'revolutionary' in a relative sense and Wes Brown saw the group more as evolutionary. He commented that the: "BSR was not an extreme organisation, it certainly wasn't. It was very middle ground" (personal communication, February, 21, 2007). BSR was not presented as a challenge to traditional business fundamentals, like 'profit' but was posited as a new paradigm, a new way of doing business. Spiller (1999) said that this new way of doing business "requires a paradigm shift on the part of those who believe that the only

purpose of business is profit maximisation, and that it is not the business of business to address environmental and social problems" (p. 75).

B. The meaning of BSR

I. Confusing BSR and sustainability

As the NZ BSR developed other social and environmentally motivated groups also sprang up with the result that from 1999 on the terminology of BSR was rapidly overtaken by sustainability. Many of those involved with the NZ BSR saw the uptake of the new terminology as a result of an inevitable melding of the concepts which culminated in the pragmatic merging of the NZ BSR with the AEBN. The functional pressures on the organisations worked in tandem with growing exposure to the terminology of sustainability to obfuscate the differences between the concepts. Also from 1998-2002 the AEBN, which was totally reliant on membership subscriptions, was busy reinforcing its business credentials in order to facilitate an amalgamation of the two groups. Wes Brown of the NZ BSR saw a merger between the groups as a logical move, even though he felt the AEBN was a single issue group and did not readily identify with the concept of sustainability. Others thought the concept of sustainability was the more useful term to advance the environmental, economic, and social agendas as it was easier to define and promote what sustainability was. When asked if it was easier to sell the environmental message over the social business consultant Meredith Osmond (personal communication, February 23, 2007) replied: "Absolutely, I... work everywhere you know, public, private, not for profit, and what they want is quick runs." Osmond also commented that: "The environmental, a lot of it is the low hanging fruit and it's what people see first." The apparent vagueness of purpose surrounding BSR also contributed to the attraction of sustainability which appeared to offer clear and quantifiable benefits. Annette Lusk said that:

The main issue around social responsibility is that it still is a very undefined science whereas the whole environmental stuff is very defined and you know the cost savings. And in fact, I don't know if there is anyone in New Zealand that would say they know what social responsibility is all about and could define it. (Personal communication, March 9, 2004)

Kerry Griffiths, who is now a senior sustainability consultant for URS, said that in the sustainable business area:

We don't put enough focus on the social dimensions, and we don't quite know how to get ourselves around the social dimension and where to take it beyond where a lot of what was happening with BSR at that time. [It] was more community partnership type stuff, and contributions into the community, volunteering work... I think that environmental concerns have become more prominent. (Personal communication, February 23, 2007)

BSR and Sustainability as interchangeable terms

There was also the view that BSR and sustainability were essentially the same concepts with the only difference being a semantic one. The common denominator in describing the two concepts in this way is a systems approach with the focus on the triple bottom line and equal emphasis on economic, social and environmental components. Both the BSR and sustainability advocates claim their approach addresses all three legs of TBL. John Ferner, NZ BSR board member during the merger negotiations, accepted the merger though he was not entirely comfortable with the shift in terminology. He maintained that the correct term should be: "Sustainability...it is the correct term, but it is probably not one that you should use." This paradoxical comment is explained by the fact that he sees the concept of sustainability as, "hijacked by the environmental movement and carbon credits and all that. People think sustainability is only an environmental issue. They don't realise its probably more important that Mangere doesn't erupt in riots every night" (personal communication, March 7, 2007). Here Ferner is acknowledging the hegemony of the concept. In the realm of values based business discourse it is the *correct* term but he also echoes Wes Brown's concerns that sustainability is a single issue concept.

Dryzek (1997) notes that by 1992 there were more than forty definitions of sustainability in use and he points out that definition is "an issue of different interests with different substantive concerns trying to stake their claim in the sustainable development territory" (p. 124; see also Springett, 2006). The breadth of the views that can be encompassed and the fluidity of the concept of sustainability are evident. When asked which term, BSR or sustainability, was more the more useful to describe the concepts the ex executive director of the NZ BSR Annette Lusk replied:

I think sustainability is almost a bit more honest because it actually does cover all three that much more and you can also

add in and it's a more encompassing word than social. Social tends to be a more defining word. Sustainability tends to be more of a collective noun. It's more encompassing, but in essence if you wanted to boil them down they're pretty much similar. (Personal communication, March 9, 2004)

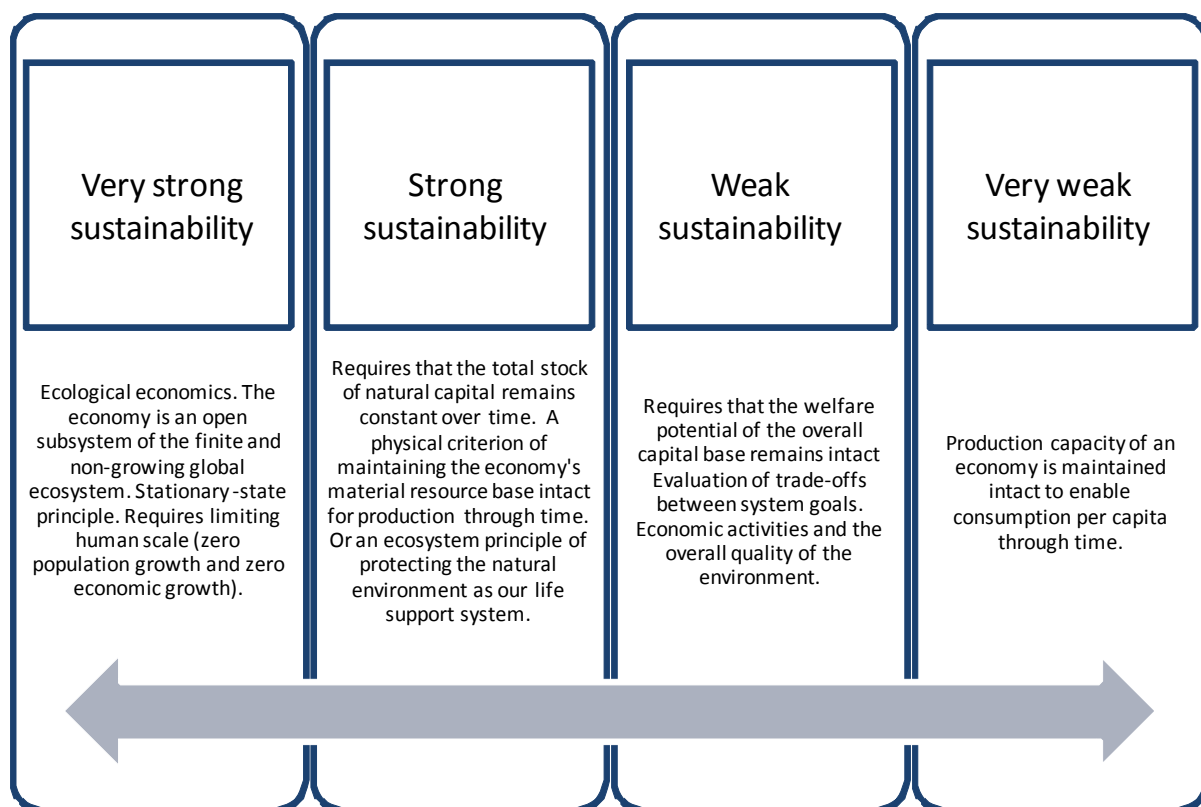
The view that the two concepts are essentially the same is reiterated by NZ BSR board member Peter Lee who said: "I think it is just terminology. If you say an organisation is socially responsible... there is an implication that they should also be environmentally responsible (personal communication, March 6, 2007). Dick Hubbard, who was instrumental in driving the NZ BSR, and was also on the board of the NZBCSD, came to view the two concepts as being essentially interchangeable. He said:

I think social responsibility is probably an incorrect term. It implies... social and environmental responsibility but the literal interpretations belong to the social side. I see the two terms meaning the same thing but sustainability is probably a better definition. I see it as a change of words rather than a change of philosophy. (Personal communication, March 11, 2004)

II. Degrees of sustainability

Hubbard's easy transition from social responsibility to sustainability is not unusual. An assessment was made of the NZBCSD by Milne, Tregidga, and Walton (2004) who maintain that the NZBCSD version of sustainability confuses the concept with CSR. They argue that: "In many ways the NZBCSD's position on sustainable development is no different to that recognised, argued for, and practised for years as corporate social responsibility. The NZBCSD has come to know sustainable development as we know corporate social responsibility" (p. 21). If we consider the continuum of positions it is possible to take (see table 2 below, p. 185, reproduced from p. 46) when practising sustainability the NZBCSD would occupy the weak, to very weak end of the sustainability of the spectrum.

Table 2. A continuum of viewpoints on sustainability. (Adapted from Hediger, 1999).



The sustainability that Hubbard experienced as a member of the NZBCSD has more in common with traditional BSR than it does sustainability, so it is not surprising he did not notice any significant shift in philosophy. The two concepts had been seamlessly articulated to the point where the terminology was interchangeable. Hubbard continued to say: "I think what happens is that the public probably tends to use the term social responsibility and the *business community* tends to use the term sustainability, it means the same thing" (personal communication, March 11, 2004. *Italics added for emphasis*). The way the terminology is allocated, with sustainability overturning social responsibility as the appropriate language for business, is important to illustrate the shift that occurred.

Internationally the concept of sustainability has become dominant in the discussion of the environment and as Carruthers (2001) put it: "Because it promises to defuse long standing tensions between environmental protection and

economic growth nearly everyone favors it, including individuals, firms, national and local governments, militaries and the gamut of non state actors" (p. 93, see also Tate, 1994). Carruthers (2001) goes on to point out however that: "the sustainable development of today bears faint resemblance to its point of origin. The language of sustainability was once a discourse of resistance, fusing radical environmental consciousness with a critical rethinking of a failed development enterprise" (p. 93). One of the core concepts of the previous "discourse of resistance" that was sustainability was that it: "Provoked challenging questions about scarcity and limits, affluence and poverty, global inequality and the environmental viability of westernization" (p. 93). Dryzek (1997) notes that for the World Business Council for Sustainable Development, which the NZBCSD works closely with: "sustainability means the perpetuation of economic growth. As the Council declares, "Economic growth in all parts of the world is essential to improve the livelihoods of the poor, to sustain growing populations, and eventually to stabilize population levels" (Schmidheiny, 1992, p. xi). Economic growth thus explained is tantamount to the trickle down effect of neo-liberal economics.

As well as the concerns listed above over the appropriation of sustainability as a managerial concept (Springett, 2006), Milne, Tregidga and Walton (2004) found that though the NZBCSD was using the terminology of sustainability they devalued the concept by promoting what was essentially CSR. They said that:

What is at issue is that such a position should be presented as being synonymous with sustainability and sustainable development. As Hawken (2002) notes, "... as corporations and governments turn their attention to sustainability, it is crucial that the meaning of sustainability not get lost in the trappings of corporate speak... I am concerned that good housekeeping practices such as recycled hamburger shells will be confused with creating a just and sustainable world." (p. 21)

As the reduction of sustainability to CSR devalues sustainability the question arises as to whether the concept of BSR is also devalued. With the dominance of the terminology of sustainability the continuing relevance of BSR as a concept is brought into question. Is BSR subsumed, superseded, or entirely replaced by sustainability? This is a key question in terms of discourse and


practice in the public sphere. The SBN, which is the result of the merging of the AEBN and the NZ BSR, should be the standard bearer for the NZ BSR position which is, at an ideological level, to represent the social contract view of the relationship between business and society, or a more inclusive and contrary view to that of the neo-liberal pristine capitalist position. While the SBN and the NZBCSD would claim to represent this view of the widened mandate of business (Milne et al., 2004) there are some conceptual difficulties relating to how sustainability is enacted in New Zealand which will now be considered.

IV. BSR after NZ BSR

For either the SBN or the NZBCSD to be practising social responsibility accounting scholars, Gray, Owen and Adams(1996), took the view that the basis of CSR is in the reporting of actions which is a "significant flow of information between... companies and society" and is "a *sine qua non* of democratic life" (p. 62). They also provided a way of viewing the various positions possible in adopting BSR. From the continuum (table 1 below; reproduced from chapter 3) the NZ BSR can be located in the social contract section of the continuum.

Table 1. A continuum of viewpoints on Business Social Responsibility
(Adapted from (Gray et al., 1996).

Deep Ecologist	Radical Feminist	Social Ecologist	Socialist	Social Contract	Expedient	Pristine Capitalist
Exploitation of other species & environment is unacceptable. Radical structural adjustment required.	Ways of thinking about the environment flawed. Radical structural adjustment required.	Systems of production & consumption require radical structural adjustment.	Accountability required. Economic system has faults that require attention.	Organisations exist at the will of society. Accept a degree of accountability.	Enlightened self-interest. BSR only desirable if it serves organisational interests.	Amorality of markets. Only obligation of business is to maximise profits for shareholders.



Information flows are critical for a well informed *demos* to make decisions over issues that affect the social, economic, and environmental health of their society. One of the visible operational concepts of BSR, therefore was the concept of widened reporting to encompass social and environmental areas, commonly known as triple bottom line (TBL) reporting. The important function of the original conception of BSR, which was how it could work as a democratising influence, would need to be a part of the NZBCSD function and be achieved through reporting. Similarly Springett (2006) says: "The key issue is not whether sustainable development may drive better, more efficient environmental, resource and business management; but whether it might become part of a deliberative turn to a more discursive theory of democracy" (p, 51).

Milne, Tregidga and Walton (2003) are critical of the quality of reporting produced in the name of sustainability and they are also critical of the variety of sustainability espoused by the NZBCSD. Studies conducted by Milne, Tregidga, and Walton and Chapman and Milne (2004, see also; Gray, 2001; Gray & Milne, 2002) found that quantitative and qualitative levels of reporting produced by NZBCSD members was generally poor and did not meet international standards as sustainability reporting. Moreover the parts of the reports that dealt with social issues "could easily be accused of cherry picking elements of news. Where local communities are included, for example, the focus is almost invariably on the organisation's sponsorship of local community groups and not the negative aspects of its core business" (Milne et al., 2003, p. 12).

The NZBCSD is failing to convince observers that it is doing the best possible job to promote and enact sustainability and, while it does not explicitly have the role of standard bearer for BSR, it would be hoped that the group would at least be able to report on a wider social responsibility. This does not appear to be the case as far as reporting (communication) is concerned. Milne, Tregidga and Walton (2004) found that when NZBCSD members reported on stakeholder impacts the focus was organisation centred and only reported on positive impacts. They found that "wider social issues of equity and social justice" were absent from the reports. The end result is neither thorough sustainability reporting, which was their putative goal, nor complete BSR reporting, which could be hoped for.

V. Differences between SBN and NZBCSD?

Despite being organisations committed to sustainability both the NZBCSD and the AEBN were different in their complexion due to their different backgrounds and objectives. Rachel Brown commented that:

Their (NZBCSD) mandate was quite different from ours...that was another culture thing, because at one point there was a discussion... that BSR and AEBN would merge and then and eventually they would merge with the Business Council. The problem is that a lot of our members don't like Business Council members so there's that huge friction in there, and it's really clear. (Personal communication, February 21, 2007)

Brown goes on to say that she considers the fundamentals of sustainable development as being the same for the two groups (SBN and NZBCSD) and both groups are striving for the same outcomes but: "I know that within our membership there are people who would have strong issues with the Business Council membership and there will be ideological differences amongst them" (personal communication, February 21, 2007). Some of the differences are put down to the size of the businesses involved in the different groups. Rachel Brown said that the:

[NZ] business council mainly has the top end of town and they have lots of international businesses in there and their needs are quite different from the small business person. The small business, the home-grown New Zealand businesses are actually a lot more supportive of things like... having a waste levy and the big corporates are like, no way, we will not support a waste levy. So the Business Council and the SBN have actually done different applications to government. (Personal communication, February 21, 2007)

Another difference can be identified in the orientation of the groups, with the SBN reflecting the more active environmentally centred background of the AEBN executive who dominated the SBN executive group. As chief executive, Rachel Brown considered she had to tone down her rhetoric even with the AEBN. When asked if she had ever had to compromise her stance in order to attract members she said: "I would say for me personally, definitely. I have to compromise; I am a lot more left wing and a lot more green than you hear me saying." When asked if the same compromises were made for the communication put out by the organisation she replied:

Yeah, with what you'd like to say. But if you come out with things as strong as they probably should be said than you set yourself up for major debate and argument which the organisation isn't ready to do yet. We also can't scare people away. So we are at the point when you have been learning about sustainability for a long period of time, you are kind of, here, in your understanding and where you feel the urgency is whereas the rest of the population is still way back, here, and they are still probably trying to get to grips with climate change, and ...you've known that for 10 years. But if you start going out there and saying we have got to stop driving cars or we have got to stop doing this, it just isn't practical. You will scare people away. (Personal communication, February 21, 2007)

The version of sustainability that Rachel Brown personally adheres to can be located to the centre left of the sustainability continuum (Table 2, p. 185) where the evaluation of trade offs involves the cessation of activities that are harmful to the environment. Overall, because of the membership background and composition the SBN version of sustainability is 'stronger', on the continuum than the NZBCSD without being controversially strong.

VI. Was BSR carried through to the SBN?

The creation of the SBN was considered to be a necessary merger to enable an organisation focused on SMEs to continue to represent them. As discussed above not all, however, were happy with the merger and for a variety of reasons many of the former NZ BSR board members have little or no contact with the SBN. Similarly, according to Rachel Brown, the AEBN members who were committed to an environmental agenda considered the broadened mandate to be a distraction from the real job of environmentalism and hence left the SBN. There were other groups with an environmental focus they could join whereas the socially inclined members of BSR had nowhere else to turn to. Peter Lee was of the opinion that the mission of the NZ BSR under the SBN has "probably been diluted in the sense that the SBN still has an environmental focus." An environmental focus is not surprising given the biases of the executive of the combined SBN entity which was largely made up of AEBN members. As a result aspects of the social side were not carried through but he also considered that:

Some of the social aspects of what the BSR did really were taken up by the Business Council... So BSR...its message was sound, but it was almost caught between a rock and a hard

place, in terms of where it would go in terms of its natural constituency. (Lee, P., personal communication, March 6, 2007)

The more defined environmental program of the AEBN has come to the fore in the ecocentric SBN as the social agenda of the NZ BSR was somewhat imprecise. So the merger was seen as moving the AEBN into a more social space by some members, whether that was the reality or not, and the NZBCSD was also seen as accommodating the social aspects of BSR. When asked if the social was still a part of the SBN message the previous executive director of the NZ BSR, Annette Lusk replied: "It is but it is not as strong. But even with BSR we tried to make it strong but it is still so undefined as to what it is" (personal communication, March 9, 2004).

The overwhelming acceptance of the imprecise terminology of sustainability has even seen the accommodation of the concept by the NZBRT. In a speech in 2002 Roger Kerr said:

But I want to make it clear upfront that I am on the side of sustainable development. Indeed, who wouldn't be? I know of no one who favours unsustainable development. The relevant issue is not the goal but what it means and how best to pursue it.

Kerr neatly sidesteps the issue of the goal of sustainability in favour of a definition which he then proceeds to provide. According to Kerr, if we consider sustainable development to be "equivalent to the basic goal of economics which is to maximise the value to society the use of scarce resources" then "sustainable development... is a reality here and now" (1996). Despite NZBRT commentators offering criticism of both the NZ BSR and the NZBCSD (Henderson, 2001a; Kerr, 1999; Kerr, 2002a) individual NZBRT members have obviously seen value in belonging to these groups as they have joined and become active members. This phenomenon might be explained by the concept of "Strategic schizophrenia" as described by Collins and Roper (2005) who found that companies used trade associations in a strategic manner: "When the social and economic objectives of a firm diverged, trade associations were utilised in the dual and contradictory strategies of protecting a firm's positive environmental image while simultaneously advocating less stringent environmental regulatory outcomes" (p. 256).

The NZBRT did not have the same ongoing animosity to the concept of sustainability as it demonstrated toward the NZ BSR as the *business case* for eco efficiency is easier to make than for BSR. Rachel Brown commented that:

[Roger Kerr] actually has said that the Environmental Business Network was better in terms of what we were doing, which is a bit scary, was better than the BSR. He made a public announcement saying that he thought that the Environmental Business Network was actually more sound because they were talking about resource efficiencies and saving money and making businesses more effective and competitive..., and leveraging off the clean, green New Zealand brand. He thought that was a stronger business case than the BSR which was "waffly " in his words. (Personal communication, February 21, 2007)

As Milne, Tregidga, and Walton (2004) identified the sustainability espoused by the NZBCSD is CSR under another name. Roger Kerr is happy to reduce sustainability to the eco efficient version of neo-liberalism. The discourse of sustainability was once a discourse of resistance and radical change and BSR in New Zealand was similarly a discourse of resistance to the neo-liberal hegemony. Now sustainability is the mainstream business discourse and one that the NZBRT are apparently comfortable with. Tate (1994) says: "Sustainability should be concerned with inter generational issues but a lot of so called sustainability issues are concerned with cost benefits.... Sustainability implies a radical change precisely because it re-orientates the emphasis away from such an approach" (p. 1).

There are two organisations promoting business sustainability and it is acknowledged, and celebrated as positive, that there are multiple different routes to achieve sustainability: "I think that is the good thing about sustainability, we know that there are a million opportunities out there and there is going to be a whole lot of different ways of getting to that same point" (Brown, R., personal communication, February 21, 2007). The all roads lead to Rome approach is optimistic in that there are obvious doubts over whether the roads are in fact pointing in the same direction. Rachel Brown also said: "we ...pick at the Business Council businesses as being the leaders... but I think if we want to be honest the models that they are operating within have to change really significantly to really address sustainability" (personal communication, 2004).

The SBN moderated its position to work along with the NZBCSD, or risk exclusion, and while a degree of accommodation is to be welcomed there is also the need for multiple points of view on sustainability and CSR. In her book, *Sharing The Earth: The Rhetoric of Sustainable Development* (1997) Tarla Rai Peterson notes that: "Although moving away from an artificially dichotomized view of environmental policy is useful, the danger is that real diversity in perspectives may be swallowed up in an attempt to promote consensus" (p. 2). This sentiment is echoed in Dryzek's (2000) conception of the 'velvet divorce' and the necessity for some groups to remain outside of the incumbent power bloc This is illustrated with the case in Germany where the Green Party split into the: "Green 'Fundis'...[which] maintained a confrontational stance, while their 'Realo' counterparts pursued an even more conventional electoral strategy" (p. 99). While the NZBCSD is not a direct representative in the immediate political sense the influence they bring to bear on policy is considerable. The differences between the NZBCSD and the SBN are worth preserving as the debate over sustainability continues.

The creation of the SBN meant that BSR was effectively subsumed under sustainability. It may well be possible for a sustainability agenda to fully represent the social aspects of BSR but as pointed out above that is not seen as happening with the SBN. Also as pointed out by Milne, Tregidga, and Walton (2004) above sustainability as practiced by the NZBCSD fulfils neither the requirements of sustainability nor social responsibility

VII. The effects on social practice

Perhaps one of the most obvious and important contributions made by the development of the NZ BSR was the mainstreaming of the arguments and promotion of the concepts of BSR. The NZ BSR was set up at a time when New Zealand was undergoing significant social malaise in that unemployment was high (Kelsey, 1999) and the social welfare safety net that had applied for generations was being gradually withdrawn (see chapter 2). The issues that were prominent for the group were therefore community issues and much of the practice of the NZ BSR was centred on how business could engage with the communities they were in. Despite the initial resistance to the NZ BSR message by some the concept of BSR was already incorporated in the thinking of some major businesses. Griffiths

(1999) reported feedback from some larger corporates on why they chose not to join the NZ BSR. Comments included:

1. They want to be a leading company in this area and don't feel like they are quite there yet.
2. They see BSR as a bit fringe, serving small and medium businesses and not the corporates. Question what BSR would have to offer them? See membership as more them supporting us.
3. There was also a sense that they felt 'a bit miffed' at not being personally invited to be involved. They feel they are doing a lot in the area of corporate responsibility at the moment in terms of exploring the triple bottom line and now potentially social auditing.

Griffiths goes on to question whether there is more going on around the question of wider corporate social responsibility and: "Has BSR undermined the achievements of those beavering away quietly inside corporations?" (p. 43). The eventual championing of the TBL report was also important as it provided a rallying point for BSR activities and a way to demonstrate BSR in action.

As a result of their early decision not to become involved in lobbying the relationship with government was slow to form but as government picked up social and environmental issues avenues opened up for outside groups to have closer interaction with government departments. Initially only individuals from government departments would join the NZ BSR as there was concern it *was* an advocacy group (Osmond, M., personal communication, February 23, 2007) but as the group consolidated increasingly whole departments would join. The other area that was important in social practice was the conferences. Over the five years of the existence of the NZ BSR there were three conferences held in conjunction with the NZCBESD, the AEBN and the NZBCSD. Other organisation also held conferences during this period, notably the SustainabAblty organisation of John Elkington, which featured high profile international business proponents of sustainability and worked to promote the sustainability discourse as being the discourse of big business. The conferences were important media and publicity events and helped to reinforce the concept of business being interested in more than the bottom line.

VIII. BSR in relation to government and the theory and practice of democracy

With the third electoral success (2005) of a committed ThirdWay government which has demonstrated a concern for social equity through issues like employment, equal opportunities, and the environment, there was less need for a 'ginger' group like the NZ BSR to offer a corrective view of how business could, and should, operate in society. With a resurgent conservative National party, and 2008 an election year in New Zealand, there may well again be the need for a group to argue that the role of business in society is more than business. The democratising influence possible from the promotion of properly dialectical BSR or sustainability perspectives is important as: "It is at the discursive level that dilemmas are dissolved by sustainable development, not at the level of policies and accomplishments. That is, sustainable development is not proven or demonstrated but, rather, asserted" (Dryzek, 1997, p. 123). Sustainability and BSR alike operate as symbols of possibility as much as any substantive social, political, or economic shift.

As illustrated in the quote from neo-liberal thinker Milton Friedman (p. 202) one of the strongest arguments against business being involved with issues of social responsibility is the neo-liberal argument that non elected "self-selected private individuals " should not be involved in making social decisions. Hubbard felt that as business had been given increased influence in society as a result of privatisation then business had a responsibility beyond merely making a profit. In contrast the neo-liberal position attempts to capture the best of both worlds by advocating both increased influence for business through further privatisation of state functions and denying that business has any social responsibilities beyond profitability and legal requirements. In an article in *The Independent* newspaper (*New Business Group Promotes Triple Bottom Line*, 1998) Dick Hubbard noted that "I don't believe you can argue for a clear run on the one hand not take up the slack on the other" (p. 21). Business does have externalities in the economic sense (Gray et al., 1996) and the idea that businesses have ever been discrete and able to contain their activities within a non-permeable silo has been refuted (Cheney & Christensen, 2001). In an age of globalisation and information technology corporations are becoming ever more fluid with fewer boundaries (Castells, 1996).

The desire to reduce the role of the state marks the difference between the neo-liberals and the centrist ideology of the ThirdWay political path mapped by the New Zealand Labour led government. Reducing the role of the state may introduce some efficiencies but, as Dryzek (2000) points out, the reduction of governmental responsibilities also raises questions about the realm of democracy. If responsibility for social issues is privatised, even partially, it subsequently lessens the possible positions that are available for political parties. Dryzek maintains that if the welfarist possibilities are removed political debate would subsequently cease to have any meaning.

At the core of the debate is the relationship between capitalism and democracy. The tension over the role and responsibilities of government is important to the democratic process and the reduction of the function of government to an oversight and administrative role, and the absence of debate, would obviously remove the major avenue for the voicing of the concerns of the disadvantaged. There are differing views on how capitalism and democracy fit together. The neo-liberal contingent, drawing on Adam Smith (Almond, 1991), hold that pristine capitalism, with a minimal role for the state, is essential for the operation of true democracy. Alternatively, exponents of the ThirdWay political philosophy argue that free markets are important to drive the economy (Hutton, 1997) but the role of the state is to temper the excesses of capitalism. The avowed goal of the ThirdWay economics and politics is participatory democracy and as Giddens (1998) maintains: "The new individualism doesn't inevitably corrode authority but demands it be recast on an active or participatory basis" (Giddens, 1998, p. 66).

Relationship between capitalism and democracy

Almond (1991) maps the possible relationships between capitalism and democracy and concludes that democracy is supportive of capitalism, despite the "democratic propensity for redistributive and regulative policy [which] tends to reduce the incentives and the resources available for risk taking and creativity" p. 472). Almond also points out that capitalism may owe its continued existence to the introduction of the welfare state which tends to "mitigate the harmful impacts and short falls of capitalism" (p. 472). Variations on the welfare state are common to all the advanced capitalist democracies but the relationship between the welfare

state and capitalism "fluctuates over time, with capitalism being compromised by the tax-transfer-regulatory action of the state at one point, and then correcting in the direction of the state at another point" (p. 473). The ebb and flow between state and capitalism has been evident in New Zealand since the economic reforms of 1984. The reduction of the state in New Zealand, through the privatisation of government assets, resulted in a reduction of democracy (Jesson, 1999; Kelsey, 1993, 1995, 1999). In the mid to late 1990s disquiet with the withdrawal of the state resulted in the political shift to a Labour-led and avowedly welfarist government. The NZ BSR came into existence at precisely that juncture when the shift was demanded and in many respects the argument over whether business has social responsibility has been sidelined by the centre left Labour-led Government implicitly re-assuming state responsibility in a number of areas.

The reality is that the relationship between government and society is under constant negotiation and how much social responsibility the government should have is questioned and approached differently by different philosophical positions. The tension is over who has responsibility and where it is properly situated. The question of how business fits in modern society is not an easy question to answer. Powerful, and often resource rich, organisations can contribute to the wellbeing of the communities they inhabit and while any contribution to society is welcomed self selection of causes does not appear to be a democratic allocation of extra resources. There have been many instances of corporate and government cooperation to achieve particular ends and a deeper relationship between business, government and society would appear to offer some chance of business being able to contribute without being left to 'cherry pick' cause related responsibilities (Roper & Cheney, 2005). Any suggestion of further governmental involvement with business is, of course, anathema to neo-liberal ideology. If progress is to be made on social and environmental problems there will doubtless have to be some understanding between business and society.

The terminology under which that progress is made is of little importance if all those committed to the 'journey' of social and environmental justice do in fact have similar goals in sight. If the terminology, however, works to confuse the real purpose (Milne et al., 2006) then defining what is meant by a specific position and approach is vitally important. Dryzek (1997) considers the approach of

ecological modernisation to hold some promise for environmental and social progress "for its subject matter encompasses nothing less than how capitalist society shall be guided into an environmentally enlightened era. In this sense ecological modernisation involves commitments on the part of the entire society, not just industry" (p.143).

Conclusion

In this chapter the meaning of BSR in NZ has been run through by way of a discussion of how BSR and sustainability are confused in New Zealand. Also considered was BSR after the NZ BSR and the differences between the two main values based business groups the SBN and the NZBCSD. The question of whether the social agenda of the NZ BSR has been carried on by the SBN was also briefly outlined. The affects of BSR on social practice, the relationship to government and the theory and practice of democracy were also covered.

Chapter eight begins with an overview of the thesis. Following the overview attention is given to the final research question: What may be suggested or predicted about the future configuration of business-government-society relations in New Zealand? Recommendations for policy and further study are discussed and there are also some concluding remarks.

Chapter Eight

Implications for Theory, Recommendations for Policy and Further Study, and Concluding Remarks

Introduction

In this chapter a brief overview of the thesis is provided after which some consideration is given to the future of BSR including the desirability of business involvement in setting of values. That is followed by some recommendations for policy. Implications for theory and method are also briefly outlined including the limitations of this study and recommendations for further study.

Overview of the thesis

The focus of this thesis has been on the communication of the New Zealand Businesses for Social Responsibility organisation (NZ BSR) and, through the application of critical discourse analysis, how the knowledge and social practice of business social responsibility was generated and demonstrated. The founders of the NZ BSR began with concepts and a particular world view and in order to forge an organisation they had to talk the organisation into existence. As pointed out in chapter one the development of the NZ BSR is important because it offers a snapshot of an influential moment in NZ social history. While not a profound or major moment it did reflect an historical juncture which was the beginning of an attempt to rearticulate the order of discourse (Fairclough, 1992) of business from one of close association with pure economics, to an association with a discourse of social values. Because the concept of BSR was not generally a part of business thinking and was contested by the influential NZBRT the proponents of BSR had to variously explain, persuade, and demonstrate what they meant and what they stood for as a collective when they promoted it.

In chapter two the history of BSR movement was discussed including key developments in the New Zealand political and economic context since 1984 as well as a discussion of organisations concerned with BSR and a brief description of implicit versus explicit BSR. Finally there was an overview of the NZ BSR and

SBN organisations and a discussion of the development of New Zealand's Business Social Responsibility and sustainability organisations.

In chapter three literature and important theoretical perspectives relevant to the study were reviewed. There was also an overview of BSR in New Zealand in terms of why BSR came on to the business agenda, and why it was contested. This was followed by an outline of neo-liberalism and its relevance in the New Zealand context. Next, BSR was considered, paying attention to the corporate image function, the social accounting aspect of BSR and one of the key developments of the social accounting approach, which is the concept of the triple bottom line report. Following the discussion of BSR, the associated concepts of sustainability and ecological modernisation were reviewed. Also covered were ideas relevant to New Zealand political thinking during the period of the study which were ThirdWay politics and stakeholder theories. The focus then turned on organisational communication at the organisation level, and the relationship between internal and external organisational communication with emphasis on public relations, identity, and issue management. Interorganisational communication was also considered with some relevant studies of business and professional associations, coalitions and alliances, the functioning of business and professional associations and the emergence of informal communication networks.

The concepts of discourse and discourse analysis outlined in chapter four have proven useful tools to explore the development of the NZ BSR as they enable the researcher to identify and describe how various discourses can be drawn on through the use of intertextuality and articulation. The various discursive formations that contributed to the discourse of the NZ BSR were identified in Chapter Five. Additionally as a key part of understanding fully how the discourse of BSR was constituted—and how it has subsequently been modified—it was necessary to also consider the context of the relevant political, economic, and social trends in New Zealand.

Discourses can tell us what is, or has been out there, and hence reproduce a particular view of social reality (Fairclough, 1992). In the case of the NZ BSR, as shown in chapter six, attempting to introduce a modified discourse of business proved problematic as it was constrained and challenged by the already existing

discourse which was, and remains, heavily invested with the competing ideology of neo-liberalism. Discourses also tell us how things might be; that is they help to constitute our view of the world and are modified over time as they are challenged and mixed with other more or less powerful discourses. As explained in chapter three for example some of the key themes of a neo-liberal discourse are that they "see danger in the expansion of government, not least in state welfare, in the power of trade unions and business monopoly, and in the continuing threat of inflation" (<http://www.montpelerin.org/aboutmps.html> retrieved 12/07/06). There is also a focus on the responsibility of the individual (agency theory) which assumes that individuals will take care of themselves before they take care of anybody else. These themes, therefore, permeate neo-liberal discourse as they are central pillars of that world view.

The central themes of BSR and the attempts to constitute a particular worldview have been demonstrated in this thesis with a description of both the central themes and the blending of the terminology and the underlying meanings of BSR and sustainability. As the term *sustainability* became articulated with bigger businesses Dick Hubbard, for example, eventually came to understand sustainability as BSR. As shown in chapter seven commentators are not convinced that the concept of sustainability, as it is practiced by the most powerful of the sustainability focused business groups, represents any real progress on social or environmental issues as the sustainability reporting conducted by NZBCSD members is selective and lacking in detail (Gray & Milne, 2002; Milne et al., 2003; Milne et al., 2006; Milne et al., 2004). The reporting therefore also falls short of BSR reporting. The transition of the discourse to one of sustainability has subsequently left some questions over the direction of BSR and the discussion now turns to some possible future positions for BSR beginning with the desirability of business's involvement in the setting of values.

A. Where to from here?

I. Desirability of business's involvement in the setting of values

BSR is valuable if only for the democratising impulse it theoretically embodies. If society requires that business does have social responsibilities

beyond complying with the law and ethical custom (Friedman, 1970) one of the overarching questions that should be addressed is: *How are businesses to know where and how to contribute to society?* In his doctoral research Spiller (1999) offers a comprehensive list of specific areas where business can contribute which works as a general guide. The concept of cause related marketing (CRM) offers one way to link the expertise of an organisation with a social or environmental issue and can positively affect both (Nelson, Kanso, & Levitt, 2007; Varadarajan & Menon, 2008; Webb & Mohr, 1998; Wulfson, 2001). Not all social or environmental issues, however, are 'sexy' in that they may never have positive connotations and so will never attract the attention of business under the current ways of organising (Husted & Allen, 2000). One can not, for instance, imagine that a tobacco company would associate itself with an emphysema foundation. Husted and Allen point out that funding for AIDS was neglected by corporates because of the association with homosexuality and directed instead to "safe issues" (p. 27). The result is that the most pressing, low profile, and unpopular social issues that might benefit from a concerted effort may not be addressed. So while CRM provides one, organisation centred way, for a business to contribute to society it will not be relevant in all situations. There is also the disquiet attendant on attaching organisational imperatives to social issues or the "'Corporatisation' of social issues" (Griffiths, 1999).

One of the most powerful arguments *against* business being involved with the setting of values is offered by Milton Friedman:

If businessmen do have a social responsibility other than making maximum profits for stockholders, how are they to know what it is? Can self-selected private individuals decide what the social interest is? Can they decide how great a burden they are justified in placing on themselves or their stockholders to serve that social interest? Is it tolerable that these public functions of taxation, expenditure and control be exercised by the people who happen at the moment to be in charge of particular enterprises, chosen for those posts by strictly private groups? (Friedman, 1962)

Friedman's concerns in the quote above relate mainly to the financial management of social programs and the burden on stockholders. A bigger concern is whether organisations that have a public persona and reputation to maintain are able to promote the best, or the most desirable solution to a problem. To safeguard

their reputation any public organisation will most likely promote conservative solutions to social issues over radical, but perhaps more effective, remedies. Husted and Allen (2000) theorise that any organisation operating strategically will not fall into this trap although it may be possible for companies that attempt to address social problems to be making decisions that "may not be in the best interests of society as a whole" (p. 27). Also the issue of "self-selected private individuals" having an undue influence on social policies is extremely important as at the core the issue is about democracy, and how that is enacted when unelected individuals or committees influence the social or environmental agenda.

There are many international examples of business being involved in social programs that have turned out to be controversial. Husted and Allen (2000) cite the case of Adolph Coors who "used Coors Brewery to pursue his personal, unorthodox, conservative agenda" (p. 27). Also Wulfson (2001) writes of the withdrawal of funds by United Way and Levi Strauss from the Boy Scouts of America (BSA) because of the BSA refusal to admit gay members. Another organisation, US West, continued to support the BSA and subsequently received criticism from the Gay and Lesbian Community Centre in Denver. Also the charitable foundation of the Dayton Hudson Corporation was boycotted by pro-choice supporters after it withdrew funding for Planned Parenthood. When it announced that it would resume sponsorship, "antiabortion groups announced plans to boycott the company's stores" (p. 140). In the New Zealand context Michelle and Weaver (1999) found that commercial imperatives had a detrimental effect on a pro-social campaign conducted by the New Zealand Police aimed at reducing domestic violence. New Zealand was in recession in 1998 so in the absence of government funding the police force turned to corporate sponsors. Michelle and Weaver found that the requirement to "deliver some kind of return to its corporate investors proved to be a major stumbling block to the campaign's longevity" (p. 87) when the campaign was cut short after the second year of a planned three. Michelle and Weaver also found that the discursive content of the campaign was influenced by the campaign organisers' sensitivity to the commercial needs of the sponsor. This meant that the campaign advertisements and documentaries had to remain "relatively mainstream" (p. 88) to avoid any "detrimental impact on the social standing of the corporate sponsors" (p. 89). The

NZ BSR was not immune to controversy as it attempted to hold an event which was to have promoted the Sky City Casino in Auckland, New Zealand, as an example of a socially responsible company. The event was cancelled after it became obvious that protestors from the Problem Gambling Foundation would have made it a PR disaster. As Rachel Brown commented: "they [NZ BSR] were getting into really tricky territory" (personal communication, February 21, 2007).

Any corporation that is operating within the law is obviously allowed to pursue a policy of social responsibility but there are varying views on whether some industries are inherently bad for society. These industries are usually known as the 'sin' (Schueth, 2003) industries (usually arms, alcohol, tobacco, pornography, and gaming) and there has long been a debate over whether all corporates are entitled to participate in social responsibility. In his play *Major Barbara* (Shaw, 1960) G.B. Shaw explores this topic (among others) in relation to a munitions manufacturer making a donation to the Salvation Army. The traditional sin industries have been screened out of investment portfolios, in some cases for hundreds of years, held by religious organisations (Schueth, 2003). The development of social consciousness in the 60s, 70s and 80s (see chapter 2) has seen more industries added to the social screening list. Some corporations have become adept at keeping themselves off the radar of social or environmental activists by seeking out and engaging with groups who may have complaints about the business or industry (Morsing & Schultz, 2006). Public perception of a corporation or industry can be swayed by its visible attempts to engage with social responsibility so groups like the NZ BSR, SBN, and the NZBCSD need to be especially aware of businesses joining to sanitise their public image. On this point Dick Hubbard noted:

We've been a bit careful about that, there is no one I would say ... trying to use it in a way that's not appropriate....The Business Council has a requirement that if you join you actually had to do a triple bottom line every three years and all members are approved as such. It's not automatic membership and they make sure there's no way someone could join the Business Council just to get a tick of approval.

So has anybody ever been sort of refused entry to ...the organisation?

No, I mean, one of the interesting arguments is that if someone got a spotty record should they be refused and the American

BSR had a look at it, because a number of years ago Monsanto applied and... half the membership... saw it as terrible, associated with GE, and bulldozing tactics and all of that. And they shouldn't be allowed, and the other half said; hang on if you exclude them you are going to do more harm than good if you bring them in then you are more likely to convert them to the right way of thinking, so... that second course of thought prevailed and they were admitted.

None of those debates have gone in New Zealand?

No, not really, I'm not aware of any one that the Business Council has turned down because of a spotty record. I'm not aware of anyone who has actually gone out and exploited the NZ BSR/Business Council membership. (Hubbard, D., personal communication, March 11, 2004)

The ability of business to use values as a marketing tool has been widely questioned (Entine, 1994; Husted & Allen, 2000; Tracey, 1996; Wulfson, 2001) and there is an understandable degree of scepticism when businesses apparently occupy a values based position but are then seen to fall short (Entine, 1994; Hearit, 2007; Middlemiss, 2002). The high profile failures of BSR do not, however, detract from the fact that businesses do occupy a valued and visible place in society with real impacts. The idea that business could, and should, attempt to exclude itself from any social responsibilities does not appear very logical in light of the possible impacts. Moreover, there is the possibility of greater transparency from business if business is actively seeking to promote itself as a responsible citizen. One would hope that Monsanto joining the USBCSD for example, as Hubbard relates above, engendered an increased level of debate about its products and strategies. The desirability of business's involvement in the setting of values has as its central concern the balance between what governments should be responsible for as the elected representatives of the people, and the requirements of business to participate fully in society.

II. Future of BSR - recommendations for policy

The strongest argument the neo-liberals offer for business not being asked to pick up social responsibilities is that business people are not elected representatives and have no place making decisions that may affect social life. This is a position that I strongly agree with. The continuation of that argument though is that the role of government should also be minimised and any services

that can be provided by private enterprise should be, as (so the argument goes) private enterprise in a free market system will deliver the service more efficiently and at the most competitive price. The paradox of the neo-liberal position therefore lies in their insistence on democracy, while wishing to delimit the areas to which democratic control extends. Harris and Twinaime (1998) point out that "the more we strip down the state and the more we empower the corporates, the smaller the area remains in which people are able to exercise any form of democratic decision making about their society and their lives" (p. 209).

In New Zealand the ThirdWay Labour-led government has, since 1999, been accused of social engineering and political correctness as a result of efforts to be more actively involved in managing social issues. This perception of unnecessary interference was carried over to the NZ BSR as, by their own admission, they were seen as "do-gooders" (2001 NZ BSR strategic plan). The inference that the so called 'nanny state' or 'do-gooder' business is maternalistic and overprotective has to be balanced, however, against the failures of avowed disinterest and reliance on individual agency advocated by the neo-liberal position. That it is better to have an involved and inclusive state would seem self-evident in the empirical evidence in New Zealand of a more robust economy, higher employment, lower crime rates, and better health and education outcomes since 1999. The assumption has to be that a ThirdWay approach of inclusion has proven effective at addressing social concerns.

That business is inextricably intertwined in the social fabric is not in doubt (von Tunzelmann & Cullwick, 1996). It is also the case that many businesses consider themselves to have social responsibilities beyond merely being profitable and law abiding entities. How then do we get a balance between wanting business to be socially responsible without ceding or granting them power that properly belongs with elected officials? If government policy is progressive and laws and regulations soundly conceived and equitable the proper place for the formulation and delivery of policy covering social decisions resides with governments who can be held to account at the ballot box for their success or failure in delivering services and social equity to citizens. Husted and Allen (2000) for example suggest that "Elected leaders can provide the signals for the kinds of social investments to be made by firms and let firms work with competitive NGOs to

achieve their social goals" (p. 27). One other possible way forward might be contained in the approach of ecological modernisation (Hajer, 1995) where it is suggested that a concern for environmental issues is embedded in the planning process. As business and government consult and collaborate over issues like sustainability there should be equal consultation and collaboration over social issues. The assumption is of course that BSR and sustainability will continue as ways for business to interact with government and society, and not just be another management fad (Zorn & Collins, 2007). Proper consultation over social issues could lead to the efficient allocation of extra resources commensurate with the abilities and skill set of the business, and without the problems inherent in businesses self selecting issues to address. As it stands BSR is entirely voluntary. Firms that do choose to pursue social initiatives, therefore, carry the burden, for all business. Business/government consultation at an industry-wide level over social issues means that all would be involved.

The NZ BSR was promoted as a genuine attempt by concerned businesses to engage with society in a new paradigm; a positive way for business and society to progress. The reality was that there were multiple motivations for the establishment of the group as the individuals involved brought their own concerns. The most dominant of the public concerns aired were those of Dick Hubbard who stated his intention to "counter some of the opposing views." This position was subsequently downplayed as the group as a whole forged its own identity but it remained a central element. Hubbard's position was ideological and inherently political and was an important motivation. The tendency has been to depoliticise and downplay ideological positions, but they can be identified in the NZ BSR and are illuminating. If there is controversy surrounding the development of a new group, as there was with the NZ BSR, it probably indicates an ideological clash. From a theoretical perspective some things to look for in analysing similar or parallel cases might be the *goals and motivations of the founders* in the context of the time, especially in the case of values based organisations.

The view that BSR is a genuine attempt by concerned businesses to engage with society is predicated on the understanding, in New Zealand at least, that business has been given greater influence due to a transfer of power though

privatisation. The transfer of power was controversial so some thought should be given to BSR as *an attempt to regain or maintain legitimacy for business*. It can be argued that the promotion of BSR works as a safety valve and stabilising influence for capitalism as it deflects concern over the role of business (Gray et al., 1998) and is supportive of the status quo. In New Zealand the transition to the terminology of *sustainability* also worked to reinforce the status quo. Under the weak sustainability model advocated by the NZBCSD the ongoing viability of different businesses is not questioned and hence: "Unsustainable businesses... seem not to exist... or can be turned into ones that successfully contribute to sustainable development" (Milne et al., 2004). The degree to which BSR and sustainability work to deflect concerns over business practices or assist business to regain or maintain legitimacy can only be ascertained by reference to context, which is central to any Critical Discourse Analysis. With regard to the rise of interest in BSR and sustainability over the last fifteen years internationally Zorn and Collins (2007) ask the question "why now?" (p. 407). Context provides one of the answers as businesses were seen as responding pragmatically to shifting societal expectations. In the case of the NZ BSR context is also vitally important as the focus is shifted to the notion of the social contract. The "why now?" question for the NZ BSR is socio-politically dependent and pivots around the understanding of the form and extent of the social contract in New Zealand and whether or not it was broken.

III. Further research

A major part of the development of the discourse of BSR is the transition to sustainability. In terms of theory there is a need to further investigate the trajectories and appeals of different terms which are embedded in, and help to form, the economic and political contexts. The terminology of sustainability has emerged as dominant in New Zealand when that is not the case in other parts of the world. There are, for example, perceived differences in BSR across NZ, Europe, and the US based on how the business society relationship has been reconfigured through government policies and larger trends like the effects of globalisation. The apparently benign concept of BSR was painted as reactionary and socialist in New Zealand by the neo-liberal faction which can be contrasted

with the European tradition which has not found BSR (CSR) so challenging or threatening. In New Zealand the radical nature of social and economic reforms attempted to divorce (disarticulate) business from society and reformulate the notion of the social contract. Organisations all over the world are 'doing' BSR but there are regional varieties depending on the context (Matten & Moon, 2008) which can include different approaches to capitalism (Almond, 1991) which can be found in the emerging economies of Asia. This is, therefore, an area where more research is needed on likely directions and concerns. A cross cultural study taking into account the different social and cultural backgrounds would be informative.

Critical discourse analysis has proven to be a valuable tool to help to trace the ideas and identify the shifts that occurred in the development of the discourse of BSR in New Zealand. The CDA approach, looking for how the different discursive themes identified show up, could be usefully applied in an investigation of all the business groups advocating values based approach in New Zealand. Also, due to limitations on the scope of the research, leadership theory (Bennis, 1989; Bennis & Thomas, 2002; Northouse, 2004) could have provided some useful insights in to the development of the NZ BSR, especially concerning the role of Dick Hubbard.

Concluding remarks

This thesis is the only study I know of that focuses on a critical juncture in New Zealand business history. This thesis closely examines how and why one business group deliberately split from the established neo-liberal point of view and attempted to establish an alternative worldview for business. Also this thesis is the only one I know of that tracks the shift in discourse within an organisation. The NZBSR began as a social responsibility organisation but ultimately became a sustainability organisation.

This thesis has analysed the transition of the discourse of business from the attempted introduction of a new variant of what constitutes business through to the accommodation, and apparent compromise of business to accept a new discourse, that of sustainability. In that respect this thesis offers a benchmark for

analysis of the development of a discourse. Other studies could similarly identify the uses and changes in terminology. When applied to an international context this study provides a guide for an investigation into why other countries use different variations of terms to enable a more coherent picture and nuanced understanding of the terminology of BSR, CSR and sustainability.

This thesis has contributed to original knowledge by tracking the discursive development of a values based New Zealand business group from its inception. The knowledge gained from this research provides the basis for further research into the discourse of BSR and whether the changes that occur are the result of simple evolutionary processes or reflect more direct struggles over the control of terminology. If we recall from chapter one, BSR in New Zealand arose from predominantly social roots and the reasons most of the key people became involved in NZ BSR were substantially different from the underlying environmental drivers of sustainability. And further, not all of those BSR pioneers consider the shift in focus to sustainability to be a natural outgrowth of what they were trying to achieve through BSR. The political and economic context in which the NZ BSR was conceived and developed is crucial as the NZBRT were demonstrably anxious to discredit the concepts promoted by the NZ BSR and shift the debate back to economic issues, a goal they have largely succeeded in. The symbolic importance of this shift is that with a social agenda there was discussion of *why* business should be involved with society. Under a sustainability agenda the discussion has shifted to *how* business can maintain itself. The transition of the NZ BSR to the SBN and the future of that group are therefore central to the ongoing definition of the social contract. Business identifies more easily with sustainability as it allows for maintenance of the status quo with no requirement for an immediate and fundamental rethinking of the business/society/government relationship. The social agenda of the NZ BSR was also conservative as it operated within the parameters of modern capitalism, but it at least posed the question *why*. In 2008 New Zealand goes to the polls with the very real possibility of the return of a National-led government. It is an open secret that they have the continued privatisation of state assets on their agenda so the New Zealand political/social/context could well be rearranged. It will be interesting to see what groups, if any, feel the need to revisit the question *why* in the future.

Finally, I would like to register my agreement with a comment made by Harris and Twinaime (1998) who wrote at the time of the foundation of the NZ BSR: "It is a welcome development for democratic debate in our society that this organisation has been established" (p. 214). In New Zealand the democratic impulse of BSR was served well merely by the existence of the NZ BSR. The organisation (re)introduced into mainstream business thinking the ideas that business was capable of much more than economic profitability, that business could be inclusive, and that business was a human endeavour and capable of a degree of selflessness. By countering some of the "opposing arguments" Dick Hubbard and the other founders of the NZ BSR stood for a "fair go," and for that I thank them.

Appendix

Trigger Questions for Semi-structured Interviews

for NZBSR board members

(Sample)

Project title:

The Caring Face of Business? A Study of the Discursive Construction of the New Zealand Businesses for Social Responsibility Organisation.

1. Just to start with I wonder if you could give me a bit of a potted history from when you first started with the NZBSR and the development of the organisation?
2. What was the main intended focus of the NZBSR?
3. Looking back how has the NZBSR affected the NZ business landscape?
4. How would you characterise the relationship (at that time) between NZBSR and other organisations (i.e. NZBCSD, AEBN)?
5. Do you think the NZBSR achieved all its objectives? Was it as successful as you would like?
6. What does the term business social responsibility mean to you?
7. What does the term sustainability mean to you?
8. Do you think that business social responsibility is a part of sustainability, or is it the other way around?
9. Is either term more useful to describe the way forward for business and/or society?
10. Were you aware of any tensions between different groups or points of view?
- 11.
12. How do you think social responsibility/sustainability is relevant to business?
13. What organisations do you interact with now? NZBCSD, SBN, other?
What is your perception of the SBN?
14. Where does the NZBCSD fit in the NZ sustainability/social responsibility framework?
15. What issues were you particularly aware of with regard to social responsibility/sustainability in NZ when you set up the NZBSR? What was top of mind for you? Has anything changed?
16. What issues related to social responsibility/sustainability were especially relevant for New Zealand and New Zealanders at the time you founded NZBSR? Has anything changed?
17. What is the most important group now in relation to social responsibility/sustainability issues? What are hurdles to implementing policy?

18. How do international developments in the implementation of socially responsible/sustainable practices impact on your organisation – for example, triple bottom line reporting, performance standards, ethical controversies? (I.e. where does assistance or pressure come from?)
19. How integral is the concept of Business Social Responsibility (sustainability) to you and by that I mean is it part of a larger belief system?

B. Motivations for engagement.

1. Do you think the relationship nexus between business, government, and society has changed over the last five years? If so in what ways?
2. Future casting. What are the major social responsibility/sustainability issues that will impact on your organisation(s) in the future? or you personally.)
3. What future direction would **you** prefer for you or your organisation(s) with regard to the development of socially responsible/sustainable policies?
4. What direction would you like to see government policy take in the future in relation to social responsibility/sustainability?
5. What contacts do you have with the government on issues of social responsibility/sustainability?
6. How successful do you think the government is at considering ethical, social, and sustainability issues?
7. Does your position on social responsibility/sustainability affect any of your relationships, either internal or external? If so, in what ways? (E.g. *Relationships with client companies, have they ever had to be modified*).
8. Have you ever been criticised for being involved in BSR?
9. Reading through the board papers I got the feeling there were some people who took the position that the NZBSR was a group to oppose the Business Round Table. Was that ever part of your thinking?
10. Are there any other comments you would like to make?

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