Trade associations and corporate social responsibility: evidence from the UK water and film industries

How to cite:

© 2008 The Authors

Version: Proof

Link(s) to article on publisher’s website:
http://dx.doi.org/doi:10.1111/j.1467-8608.2008.00530.x
Trade associations and corporate social responsibility: evidence from the UK water and film industries

Anja Schaefer and Finola Kerrigan

In highly structured organisational fields individual efforts to deal rationally with uncertainty and constraints tend to lead, in the aggregate, to greater homogeneity in structure, culture and output. Drawing on institutional theory, this paper develops research propositions regarding the nature and scope of corporate social responsibility (CSR) engagement at trade/industry association level. The cases of the water and sewerage and film industries are used in order to test these propositions. The findings suggest that (a) trade associations in more homogeneous industries are more likely to engage with CSR-related issues; (b) trade associations in industries that face greater external scrutiny and threats to legitimacy are more likely to engage with CSR-related issues; and (c) trade associations are more likely to engage with those substantive CSR issues that are of greater concern to the industry’s most salient stakeholders. The findings also suggest that trade associations may have a greater tendency to engage in symbolic legitimation efforts through CSR if faced with the task of repairing industry legitimacy.

Introduction

This paper explores the ways in which trade associations in two UK industries (water and sewerage, and film) engage with corporate social responsibility (CSR). Trade and industry associations are an underresearched social phenomenon in general, and their CSR engagement has received very little academic attention so far. This is part of a general dearth of research addressing non-corporate and non-governmental organisations and their role as agents in CSR processes.

While it may be argued that trade and industry associations have often been slower to engage with CSR issues than many of their member organisations (interview reference, Water UK) this is beginning to change.

... The CSR movement is for us not a threat but an opportunity ... it offers a course to follow that can help to establish a new relationship between business and society based on trust and shared values, leading to greater freedom for business and a more enlightened public attitude to profit.


This paper aims to start filling a gap in the literature by addressing the following research questions:

- To what extent do trade associations in two UK industries publicly engage with social responsibility issues?
• With what aspects of CSR do the trade associations engage and how do these aspects of CSR engagement relate to specific concerns of the industries' key stakeholders?
• To what extent can trade associations’ CSR engagement be explained as legitimation strategies aimed at concerns of particular stakeholders?

Theoretical framework

The theoretical framework provided in this section is organised as follows: first, using an institutional theory framework, we discuss the nature of trade associations; second, we consider the reasons why trade associations would engage with CSR-related issues; third, we examine the concepts of organisational legitimacy and legitimation and how they relate to CSR; finally, we discuss how the level and depth of a trade association’s CSR engagement might be assessed by looking at the dimensions of CSR with which it engages. From these considerations some research propositions are developed, whose applicability in the two case studies will be explored in the second part of the paper. Institutional theory has been widely used as an explanatory framework for organisational research in general and into CSR specifically (e.g. Husted & Allen 2006, Campbell 2007, 2006, Schaefer 2007). Propositions derived from institutional theory have been used to frame research into management topics as diverse as CSR (Campbell 2007, 2006), executive pay (Chizema & Buck 2006), family businesses (Leaptrott 2005), purchasing and supply management (Zsidisin et al. 2005) and organisational socialisation (Fogarty & Dirsmith 2001).

The nature of trade associations

Business or industry associations can take several different forms. Peak organisations [such as the Confederation of British Industry, (CBI)] exist to represent all sectors of business in a country or region. Trade associations represent businesses within a particular sector (May et al. 1998). Both peak and trade associations have corporate members. Professional organisations, on the other hand, have individuals as members, not firms. They may perform similar roles to business associations, though, particularly in industries where the focus is more on individuals than firms, such as the professions or the arts.

The development of business and trade associations can be seen as part of the structuration of organisational fields (DiMaggio & Powell 1983, Giddens 1984). According to Meyer & Rowan (1977: 340) ‘organizations are driven to incorporate the practices and procedures defined by prevailing rationalised concepts of organisational work and institutionalised in society. Organisations that do so increase their legitimacy and their survival prospects’. In highly structured organisational fields individual efforts to deal rationally with uncertainty and constraints tend to lead, in the aggregate, to greater homogeneity in structure, culture and output. The structuration of a field comprises of increased interaction between members, sharply defined inter-organisational structures, increased information load and mutual awareness of a common enterprise. Formal association of businesses in a field may be a consequence of this structuration and, once established, may contribute to further homogeneity. The establishment of trade associations can be seen as an instance of institutionalisation through embedding in formal structures (Zucker 1987). Trade associations may be playing a role in facilitating or reinforcing any or all of the mimetic, coercive and normative institutionalisation processes (DiMaggio & Powell 1983, Zucker 1987). Factors that are thought to lead to greater isomorphism, such as dependency on a single or similar sources of support and the extent of transactions with state agencies (DiMaggio & Powell 1983), may also lead to a greater tendency towards formal association.

Industries will vary in their degree of homogeneity and this is likely to be reflected in the form and influence of their trade associations. Highly cohesive industries may be represented by a single trade association, which is considered to represent all or most members’ interests fairly well. Less cohesive industries may have several trade and professional associations, which may represent the interests of only some members of the
industry. Schmitter & Streeck (1999) argue that where industries are highly homogeneous, member companies may have similar interests but are also likely to compete directly with each other, thus increasing potential conflict. In more heterogeneous associations, there may be less direct competitive conflict but members’ interests are also likely to be more divergent. The incentives for potential members to join business associations are likely to decrease with the size of the potential membership and if potential members have highly unequal resources. External competition, state intervention, complementarity of members, and social cohesion between members, on the other hand, should increase the tendency to associate.

Trade associations are therefore more likely to be influential if (a) there is a higher degree of commonality of interest between industry members; (b) there is less competition between industry members; (c) industry members depend on similar sources of support; (d) industry members transact extensively with state agencies and/or are subject to extensive state intervention; (e) the industry is subject to a high degree of external competition; and (f) there is a high degree of social cohesion between industry members.

More cohesive and thus influential trade associations will find it easier to be more active and to guide their members’ views and actions in general. Other things being equal, more cohesion and influence in general will therefore enable trade associations to engage more strongly with CSR on their members’ behalf.

**Proposition 1:** Greater cohesion and influence in general will be an enabling factor in trade associations’ CSR engagement on behalf of their members.

**Trade associations and social responsibility**

It might be argued that industry associations have little reason to engage in CSR issues. Possible reasons for such an argument are that CSR is mostly a strategic tool by which individual companies try to improve their financial performance (e.g. Waddock & Graves 1997, McWilliams & Siegel 2000, Hillman & Keim 2001, Orlitzky & Benjamin 2001) and that collective CSR engagement through industry associations would distract from any competitive advantage from CSR. It could also be argued that the main purpose of industry associations is to lobby for their members’ (self-) interests and that they should stick to this.

We consider such arguments to be only partly true. Much of the argument for CSR rests on alignment with social norms and the unavoidability of normative conformity with the social environment (Carroll 1979, 1999, Wartick & Cochran 1985, Wood 1991, Palazzo & Scherer 2006) and firms are seen to align their activities with the concerns of powerful stakeholders (Mitchell et al. 1997, Frooman 1999, Doh & Guay 2006). Companies often experience strong institutional pressures for the adoption of a socially responsible stance and may use CSR to respond to these pressures, rather than for either social or financial performance reasons (Schaefer, forthcoming). Where this is the case, competitive advantage through CSR may become less important and there may be a more significant role for trade associations in facilitating an industry-wide response to the demands of common stakeholders.

The argument that industry associations should stick strictly to their lobbying function would be reminiscent of Friedman’s (1970) argument that making profit is the only responsibility of business. Arguments of enlightened self-interest as well as notions of morality extending to all society, including business (Mintzberg 1983), can similarly be extended to trade associations.

If CSR is to a large extent about corporations acting in line with societal norms we may think of this as an aspect of firms’ wider social and political engagement, aimed at gaining or maintaining external legitimacy. CSR then becomes a political, as well as a strategic and economic concern (Dubbink 2004, Moon et al. 2005, Scherer et al. 2006). When acting in a political rather than a purely economic sense, business firms often find it advantageous to act not individually but through industry associations (Schmitter & Streeck 1999). Public criticism, questions of external legitimacy and the threat of state intervention often apply to entire industries as well as individual firms (Adams et al. 1998,
Clarke & Gibson-Sweet 1999, Campbell 2003). It may therefore be more effective to deal with such issues through collective action (Gupta & Brubaker 1990, Reed 1999, Tiemann 1999). In this sense trade associations may take on the boundary spanning role of buffering an entire industry against external pressures and promoting organisational adaptation to environmental changes, a role that has been assigned to the corporate affairs department in individual organisations (Meznar & Nigh 1993).

Proposition 2: Where there are greater external pressures for socially responsible behaviour affecting an entire industry, trade association will engage more with CSR related issues.

CSR and organisational legitimacy
Although the literatures on CSR and corporate legitimacy have somewhat different foci there is a strong relation between the two concepts. We have argued above that CSR is as much about conformity with social norms as it is about competitive advantage, and three decades ago Sethi (1975) already saw legitimacy as the yardstick of the discussion in the CSR field. In this section we provide a brief review of relevant aspects of legitimacy and legitimation.

Dowling & Pfeffer (1975) define organizational legitimacy as congruence between social values associated with the activities of an organization and the norms of acceptable behaviour in the larger social system. Suchman (1995) distinguishes three forms of legitimacy: (1) pragmatic legitimacy, based on audience self-interest; (2) moral legitimacy, based on normative approval and an evaluation whether an organisation’s actions are for the common good; and (3) cognitive legitimacy, based on comprehensibility and taken-for-grantedness. It seems plausible that firms may address all three forms of legitimacy through their CSR initiatives.

Legitimation is the process by which organisations act to increase their perceived legitimacy. Dowling & Pfeffer (1975) distinguish between three forms of legitimation: (1) adaptation of output, goals and methods; (2) altering definitions of social legitimacy; and (3) becoming identified with symbols, values or institutions that have a strong base of social legitimacy. Lindblom (1994) adds a fourth form of legitimation, where the organisation neither changes its own behaviour nor tries to alter definitions of legitimacy but embarks on an information and education effort in order to demonstrate to relevant stakeholders that its outputs, goals and methods are indeed appropriate and in conformance with prevailing social norms.

Legitimacy theory has been used in particular to explain companies’ social disclosure patterns and strategies (Lindblom 1994, Brown & Deegan 1998), but legitimation acts need not be confined to disclosure. Suchman (1995: 586) argues that, while ‘legitimacy management rests heavily on communication’, this communication extends beyond linguistic communication to a ‘wide range of meaning-laden actions and non-verbal displays’. While Guthrie & Parker (1989) found little evidence to support a strict reading of legitimacy theory, other research has generally been supportive of the idea that companies that find themselves subject to a higher level of public critique and thus threats to their perceived legitimacy will engage to a greater extent in legitimating activities such as public social and environmental disclosure (Adams et al. 1998, Clarke & Gibson-Sweet 1999, Campbell 2003, among others).

While some of the legitimacy theory literature focuses mostly on organisations reacting to legitimacy threatening events, legitimation attempts need not necessarily be reactive. Suchman (1995) distinguishes between efforts aimed at gaining legitimacy, which he sees as particularly relevant when organisations embark on a new line of activity; maintaining legitimacy and repairing legitimacy, which generally is a reactive response to an unforeseen crisis of legitimacy. At this point familiar legitimation strategies may no longer work and formerly reliable external allies may have been alienated.

This is also the point where legitimation strategies may not be successful or, in themselves, legitimate in stakeholders’ eyes. Ashforth & Gibbs (1990) distinguish between substantive and symbolic legitimation strategies. For them, substantive legitimation attempts involve real, material
changes to organisational goals, structures and practices to meet the performance expectations of societal actors upon whom the organisation depends for legitimacy. Symbolic legitimation attempts, by contrast, involve espousing socially acceptable goals; denial or concealment of actions perceived as illegitimate; redefining means and ends of the organisation in order to suggest greater congruence with societal norms; offering justifications or apologies; and ceremonial conformity with accepted ways of doing business. These would seem to correspond broadly to the second and third legitimation strategy proposed by Dowling & Pfeffer (1975) and the fourth strategy proposed by Lindblom (1994), as discussed above. Ashforth & Gibbs (1990) propose that (1) the protestation of legitimacy through symbolic activity will be greatest for organisations with low legitimacy (as perceived by constituents); (2) the lower the perceived legitimacy the more sceptical constituents will be of legitimation attempts; and (3) the lower the perceived legitimacy, the greater the likelihood of unethical, heavy handed, insensitive, rigid, intolerant, evasive, exaggerated, or inflammatory legitimation attempts.

**Proposition 3:** Where industries as a whole are faced with the challenges of repairing perceived legitimacy, they and their trade associations are more likely to use CSR-related activities as symbolic legitimation strategies.

**CSR and stakeholder salience**

Legitimacy is not a homogeneous quality that organisations either have or do not have. Rather, legitimacy is both dynamic and in the eyes of the beholder. Organisations may therefore have different levels of perceived legitimacy with different stakeholders. For instance, a firm may have a good record on staff motivation and development and therefore high perceived legitimacy with its employees and labour organisations. At the same time it may have a poor environmental record and low perceived legitimacy with environmental stakeholders.

In explanatory stakeholder theory it has been argued that organisations will pay most attention to those stakeholders that are more salient to them. Mitchell *et al.* (1997) argue that stakeholder salience depends on their power, urgency of their demands and perceived legitimacy, with those stakeholders most salient who have high perceived power, legitimacy and urgency in the organisation’s eyes. Frooman (1999) argues that stakeholder power is in fact the most important of these three aspects of stakeholder salience and that relative stakeholder power depends on the resource dependencies or interdependencies between an organisation and its stakeholders. There is also some empirical evidence to suggest that organisations will focus on the demands of their most salient stakeholders as a priority (Fineman & Clarke 1996, Harvey & Schaefer 2001). Legitimating acts undertaken by organisations are therefore likely to reflect the differential salience of stakeholders making demands on it. They will be aimed at different stakeholder groups and focus on different substantive issues. Thus, trade associations are likely to focus any CSR engagement on the perceived priorities of the most salient stakeholders of the industry.

**Proposition 4:** Trade associations will engage selectively with CSR-related issues that are of greatest concern to the most salient stakeholders of the industry.

**Assessing levels of CSR**

The above discussion and propositions assume that we can assess the level of CSR engagement of a trade association. Here we propose as a plausible, qualitative assessment that trade associations that show greater engagement with CSR issues will (a) make a greater number of, and more positive statements about, CSR-related issues, and (b) will engage with a greater number of different aspects of CSR. In the remainder of this section we provide a brief overview of different aspects of CSR with which trade associations may potentially engage.

Wood (1991) suggests a tri-partite model of Corporate Social Performance, including *social responsibility*, *social responsiveness* and *social performance*. CSR forms the normative basis, which establishes why business organisations have
responsibility for the social outcomes of their actions. The processes of corporate social responsiveness include general assessment of trends in the social environment, assessment and management of stakeholder demands and expectations, and the management of specific social issues. Corporate social performance, the third element of the model, refers to the outcomes of corporate behaviour. This includes both company actions in the form of programmes and policies, and the social impacts of these actions.

Building on Wood’s (1991) model, Davenport (2000) suggests that corporate social performance could be categorised into (1) ethical business behaviour, (2) stakeholder commitment, and (3) environmental commitment. Gathering information from various managers and industry experts she then developed 20 criteria for the assessment of a company’s corporate social performance. Not all these criteria can be transposed easily from a company to an industry association context. For the present purposes eight overarching criteria have been distilled from Davenport’s classification and somewhat reformulated to be relevant to industry associations rather than individual companies. These are ‘ethical business behaviour’, ‘stakeholder commitment’ (including commitment to ‘community’, ‘consumers’, ‘employees’, ‘investors’ and ‘suppliers’) and ‘environmental commitment’.

In one of the few existing publications specifically on industry associations and CSR, Gupta & Brubaker (1990) list a range of activities that trade associations might perform with respect to CSR. These include (1) leading an industry towards more CSR; (2) ensuring that their constituents remain informed; (3) preventing damage to an industry by working with government and outside organisations in the public interest; (4) enforcing minimum compliance with their CSR goals through ongoing programmes; and (5) serving as fulcrums in developing societal consensus about the relationship of the industry or its products to the public good. The first three of these seem to correspond quite closely to some of the dimensions proposed by Wood (1991) and Davenport (2000) whereas the latter two are different to CSR dimensions proposed elsewhere and would seem to be specific to industry associations. The dimensions of CSR are summarised in Table 1.

Methodology

This paper investigates CSR engagement of trade associations in two contrasting industries. It takes a qualitative, exploratory approach, appropriate for a first investigation of a topic where little previous research exists.

The research can best be described as following an iterative approach, with a succession of question and answer cycles (Huberman & Miles 1998). An initial, relatively loose, inductive phase of data collection and analysis led to the establishment of some first categories for analysis. On the basis of these preliminary categories derived from empirical study, a theoretical framework was built from the literature. This was followed by a second phase of empirical research, which consisted of a tighter, more deductively oriented (re-)analysis of the interview data and documentary data, which was newly identified at this stage in line with the theoretical framework. This second phase served the purpose of assessing the applicability of the propositions developed in the theoretical framework.

Choice of industries

The two industries studied are the UK water and sewerage industry and the UK film industry. They represent contrasts along key dimensions identified as potentially critical in the theoretical framework: (a) level of competition between industry members; (b) level of dependence on similar sources of support; (c) degree of industry members’ transactions with state agencies and/or subject to state intervention; (d) level of external competition; (e) degree of homogeneity of industry; (f) level of external pressure for socially responsible behaviour and/or of external threat to legitimacy; (g) main CSR-related interests of most salient stakeholders. An assessment of the two industries along these dimensions has been made from the literature (Thatcher 1998, Schaefer & Harvey 2000, Harvey & Schaefer 2001, Maloney 2001, Bakker 2003, for the water
industry; Ulff-Møller 2001, Baillieu & Goodchild 2002, Trumpbour 2002, Scott 2003, Thompson & Boardwell 2005 for the film industry) and from our own research with managers in the two industries. These dimensions are summarised for each industry in Table 2. Although not all entries in Table 2 point in the same direction, overall the UK water industry appears to be more homogeneous, with less internal (and external) competition, greater state intervention and greater cohesion between fewer members than the UK film industry. It also faces greater external pressures for socially responsible behaviour and greater external threats to its legitimacy than the film industry. The main CSR issues that are of interest to salient stakeholders are different in both industries and more numerous and diverse in the case of the water industry.

The water industry in England and Wales consists of 10 regional water and sewerage companies (formerly publicly owned water boards, privatised in 1989) and a number of smaller water supply companies. As provider of a vital utility with significant health, social and environmental implications, the industry is subject to heavy regulation in almost all aspects of its business. Given its history as a nationalised industry and the high level of regulation the industry remains fairly homogeneous in its core business, despite some strategic diversification since privatisation. Measured by the number of companies it is also a fairly small industry. It is represented by a single trade association, Water UK. The industry has faced significant legitimacy issues over recent years. Privatisation itself was heavily debated in the media and opposed by significant parts of the British public. Following privatisation, prices to consumers increased considerably in order to pay for urgent investment in the overaged asset structure to allow compliance with EU environmental directives. However, these price increases were met with much public hostility. A number

### Table 1: Dimensions and elements of corporate social responsibility

<table>
<thead>
<tr>
<th>Wood (1991) Corporate social responsibility</th>
<th>Principle of legitimacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate social responsiveness</td>
<td>Organisational principle</td>
</tr>
<tr>
<td>Environmental trend assessment</td>
<td>Individual principle</td>
</tr>
<tr>
<td>Stakeholder expectations assessment</td>
<td>Issues management</td>
</tr>
<tr>
<td>Corporate social performance</td>
<td>Ethical business behaviour</td>
</tr>
<tr>
<td>Company actions (programmes and policies)</td>
<td></td>
</tr>
<tr>
<td>Social outcomes of these actions</td>
<td>Stakeholder commitment</td>
</tr>
<tr>
<td></td>
<td>• Community commitment</td>
</tr>
<tr>
<td></td>
<td>• Consumer commitment</td>
</tr>
<tr>
<td></td>
<td>• Employee commitment</td>
</tr>
<tr>
<td></td>
<td>• Investor commitment</td>
</tr>
<tr>
<td></td>
<td>• Supplier commitment</td>
</tr>
<tr>
<td></td>
<td>Environmental commitment</td>
</tr>
</tbody>
</table>

Gupta and Brubaker (1990) Leading an industry towards more corporate social responsibility

Ensuring that their constituents remain informed

Preventing damage to an industry by working with government and outside organisations in the public interest

Enforcing minimum compliance with their CSR goals through ongoing programmes

Serving as fulcrums in developing societal consensus about the relationship of the industry or its products to the public good
Table 2: Differences between industries along key dimensions

<table>
<thead>
<tr>
<th>Dimension</th>
<th>UK water industry</th>
<th>UK film industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level of competition between industry members</td>
<td>Very low in core UK water &amp; sewerage business – only large industrial and commercial customer market open to competition – no competition in domestic market</td>
<td>Moderate</td>
</tr>
<tr>
<td>Level of dependence on similar sources of support</td>
<td>Moderate – main financial support through stock market; largely geographically distinct customer base (regional monopolies)</td>
<td>Moderate – industry relies to significant extent on state subsidies for funding; other sources of support more varied</td>
</tr>
<tr>
<td>Degree of industry members’ transactions with state agencies and/or subjection to state intervention</td>
<td>High – industry is highly regulated by economic regulator (Ofwat), environmental regulator (Environment Agency), quality regulator (Drinking Water Inspectorate), as well as other, less salient regulators</td>
<td>High – subsidised through tax breaks, important steering role of UK Film Council</td>
</tr>
<tr>
<td>Level of external competition</td>
<td>Virtually non-existent for domestic market as vital utility with long-term physical asset base and regional monopoly for a large proportion of customers – threat of substitutes or new entrants is minimal</td>
<td>High – Hollywood is strongest competitor in world wide film industry and dominates UK screenings; some competition from other European film productions</td>
</tr>
<tr>
<td>Degree of homogeneity of industry</td>
<td>High – small industry with single industry association; core UK water &amp; sewerage business organised on similar lines and facing similar challenges; individual managers in different companies tend to know each other, sometimes very well; however, size differences between formerly publicly owned water &amp; sewerage companies and smaller, always privately owned water only companies</td>
<td>Low – large number of companies of greatly varying size and concentrating on different aspects of the film production and distribution process; several trade and professional associations with only partially overlapping membership</td>
</tr>
<tr>
<td>Level of external pressure for socially responsible behaviour or external threat to legitimacy</td>
<td>High – industry is very much in public eye; industry purpose is essentially a public good purpose; much negative publicity (82% of UK national newspaper coverage between November 2005 and 2006 was essentially negative or critical in tone)</td>
<td>Moderate to low – industry needs to justify public subsidy through demonstration of certain public good achievements but mostly seen as having entertainment, rather than public good purpose; less critical publicity (only 17% of UK national newspaper coverage between November 2005 and 2006 was essentially negative or critical in tone)</td>
</tr>
<tr>
<td>Main CSR related interests of most salient stakeholders</td>
<td>Government – Department of Food, Rural Affairs and Agriculture (oversees environmental protection) – aspects of water policy: • Drinking water quality • Quality of water in rivers, lakes and estuaries, coastal and marine waters</td>
<td>UK Film Council – mission • Stimulate a successful, vibrant film industry • Promote the widest possible enjoyment and understanding of cinema throughout the United Kingdom</td>
</tr>
</tbody>
</table>
Table 2: Continued

- Sewage treatment
- Reservoir safety
  [www.defra.gov.uk/environment/water/]
- Ofwat – Economic regulator for the water & sewerage industry in UK and Wales – vision
- World class, quality service
- Customer value

Key work areas:
- Promoting effective competition
- Consumer issues
- Sustainable development
- Water resources
  [www.ofwat.gov.uk]

Environment Agency – environmental objectives for water industry:
- Provide sufficient water for customers, taking into account the needs of the environment
- Abstractions and discharges
- Sustainable, cost-effective long-term solutions
  [www.environment-agency.gov.uk/subjects/waterquality]

Funding initiatives:
- High-quality, innovative and commercially attractive screenplays
- Production of popular, more mainstream films
- Back radical and innovative filmmakers, especially new talent
- Distribution of a broader range of films to audiences across the United Kingdom.

Diversity strategy aims to help the sector to: achieve a more diverse workforce behind and in front of the camera, across the film sector value chain; enable all groups within our society to participate in and enjoy film culture
  [www.ukfilmcouncil.org.uk/information/aboutus/overview/]

Table 3: Associations in the UK film industry

<table>
<thead>
<tr>
<th>Name</th>
<th>Individuals/organisations</th>
<th>Industry sectors</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>PACT</td>
<td>Both</td>
<td>Producers</td>
<td>Networking, lobbying, training, rights negotiation</td>
</tr>
<tr>
<td>BAFTA</td>
<td>Both</td>
<td>All</td>
<td>Networking, information, quality control</td>
</tr>
<tr>
<td>WFTV</td>
<td>Individuals</td>
<td>All</td>
<td>Networking</td>
</tr>
<tr>
<td>FACT</td>
<td>Organisations</td>
<td>Distributors, broadcasters, freight and storage companies</td>
<td>Protection of copyright defence against piracy</td>
</tr>
<tr>
<td>FDA</td>
<td>Organisations</td>
<td>Distributors</td>
<td>Lobbying</td>
</tr>
<tr>
<td>NPA</td>
<td>Individuals</td>
<td>Producers</td>
<td>Networking, information exchange</td>
</tr>
</tbody>
</table>

of environmental incidents and further price increases have kept the industry in the media ever since.

In comparison with the water industry, the UK film industry is more fragmented in its structure and core business, consisting of a much larger number of often quite small companies, which focus on different aspects of film-making and distribution. Its products are not generally considered a vital utility and its social and environmental impacts, while not negligible, are less prominent than those of the water industry. It is therefore subject to relatively little regulation. The more fragmented nature of the industry is reflected in the fact that it is represented not by a single but several trade and industry associations, with sometimes overlapping but not identical membership and purpose (see Table 3). While
film is a topic which is regularly discussed in the media, specific coverage of wider social responsibility issues relating to the industry is much rarer, with the majority of press coverage focused upon entertainment value. The industry does not appear to be in the public eye with regard to CSR issues to the same extent, and it seems to face fewer public legitimacy issues. The main questions of legitimacy arise over the government subsidy the industry receives as well as issues relating to the portrayal of violence and anti-social behaviour, with occasional specific issues regarding the environmental impacts of certain technologies or film-making practices.

Data collection

As outlined above, this article is based on two phases of data collection and analysis. The first phase consisted of an inductive analysis of open-ended interview data collected in two previous studies. The second phase was more deductive in orientation (Huberman & Miles 1998, Yin 2003) and consisted of the collection and analysis of documentary data and a re-analysis of the interview data. These two phases were separated by a phase of theoretical framework building (see theoretical framework above).

The interview data comes from two separate studies, on CSR and environmental management in the UK water and sewerage industry and on CSR and marketing in the UK film industry, respectively. As generally considered appropriate for qualitative research, potential respondents were identified through purposive sampling (Silverman 2000) to represent as wide a range of hierarchical and functional positions and environmental and CSR responsibilities as possible (Marshall & Rossman 1989). Key informants in each organisation suggested further respondents to match the purposive sampling criteria.

The study on the UK water and sewerage industry consisted of three in-depth case studies, carried out in two phases: 1996/1997 and 2000/2001. Although the study focused on environmental strategy and management in these companies, respondents frequently discussed other social responsibility issues as well. In the first phase, 27 interviews with managers in water companies were carried out. In the second phase, 18 interviews with managers in the same companies were carried out. Where possible, the same respondents were interviewed in both phases but frequently this was not possible due to personnel changes in the companies. Seven of the first phase interviews and eight of the second phase interviews contained significant references to industry-wide initiatives and trade association matters. In addition to the interviews in individual companies, the researcher attended a meeting on the development of industry wide sustainability indicators. In 2006 a further interview was conducted with two members of staff at Water UK. Interviews were semi-structured, following a researcher-led series of themes but allowing respondents to pursue themes they considered important as well. Trade association-related issues were usually brought up by respondents. Wherever possible, interviews were tape-recorded and fully transcribed. In the small number of instances where this was impossible, extensive notes were taken during and immediately after interviews.

The empirical work on the film industry is drawn from a wider study focusing on the nature and organisational structure of the industry, policy and ethical issues particularly with regard to marketing processes. This study consisted of 25 qualitative interview carried out with film industry professionals, policy makers and industry experts between 1999 and 2003, coupled with policy analysis over a 7-year period. The research focus was upon the marketing process in the film industry and how company structure impacted upon this process. For the purpose of this paper, data has been extracted from five of these interviews which referred specifically to issues of CSR and public policy. This empirical analysis was supplemented by the analysis of policy documentation in the audiovisual industries.

The document data consists of general information, speeches, policy and position statements, newsletters and press releases, collected mostly from the web-sites of the trade associations in the two industries (www.water.org.uk for the water industry; www.fact.co.uk; www.pact.co.uk; www.bafta.org; www.launchingfilms.com for the film industry). Documents available from the trade
associations websites were identified through a qualitative reading of website content. Other documents were identified by and obtained from interviewees.

Data analysis

Like the data collection, the analysis for this paper also followed an iterative approach. Inductive, constructionist analysis (Easterby-Smith et al. 2002) led to identification of some initial research questions, themes and categories. These were then used as the basis for the development of the theoretical framework and research propositions from the literature. A second, more deductive phase of analysis followed where the research propositions were examined through a re-analysis of the interview data and an analysis of document data. The purpose of the analysis was to make some assessment of the levels and nature of CSR engagement (see discussion on assessing CSR engagement above) and to gain a deeper understanding of why trade associations were engaging with CSR issues in the way they were.

The type of deductive analysis used in the second phase is a form of relatively loose, non-quantitative content analysis (Miles & Huberman 1994, Easterby-Smith et al. 2002). The researchers jointly identified interview passages and extracts from the documentary data (both called ‘statements’ later in the paper) that were deemed relevant for the purposes of the present research questions. Both researchers then independently coded these interview and document extracts, using coding categories derived from the theoretical framework and research propositions. Coded passages were displayed in cross-case tables (Miles & Huberman 1994) for further analysis, including within-case analysis, comparing data gathered at different times (interview data in 1996/1997 and 2000/2001 for the water industry, in 1999/2000 and 2002 for the film industry, and document data from 2005/2006 for both industries), through different means (interview and document), followed by between-case comparison between the two industries (Yin 1984, Eisenhardt 1989). These working tables were distilled into Table 4 below for data display.

Limitations

The paper uses data from a number of different sources. Most of the interview data was collected for other purposes than the present article. Much of the information on trade associations and the workings of the industries as a whole emerged spontaneously from the interviews, rather than being elicited through direct questions and probes. The same questions were not necessarily asked of all respondents. This makes it valuable as unforced views of the respondents but it also means that it is not always strictly comparable between the two cases. Data collected from trade associations’ web-sites is also ‘naturally emerging’ data rather than prompted by specific research questions. This also has the benefit that the data is not biased by interview questions and reflects the different concerns and perspectives adopted by different trade associations. This kind of data is not generally considered to be problematic for inductive research, which tends to be based on relatively loose designs (Huberman & Miles 1998, Yin 2003). Cowton (1998) argues that using secondary data, including data collected for the purpose of other academic studies, can often be beneficial in business ethics research, not least because it removes some of the ‘socially desirable answers’ bias that primary data collection on ethical questions often encounters. Using this type of pre-existing data does, however, mean that the type and quantity of information given is not always entirely comparable. Deductive analysis and comparison between cases based on such data therefore needs to be interpreted with a certain degree of caution.

Similarly, being mostly unforced data, the data on industry associations that emerged during the different phases of the two studies does not necessarily match within or between cases. This makes systematic longitudinal analysis more difficult. In addition, much of the documentary data is more recent than most of the interview data. Using a variety of largely unforced data allows us to build up a richer picture but it also limits some forms of analysis. For instance, rigorous time-line analysis, as used in some of the corporate social reporting literature (Hogner...
1982, Guthrie & Parker 1989), has not been possible with the present data. A quantitative analysis of the frequency of particular types of references also seemed less valuable for this reason.

We feel that the present data is rich and varied enough to give interesting first insights into industry associations’ engagement with the CSR agenda and make a qualitative assessment of the likely applicability of the propositions developed above. Further, specifically designed research into the topic should follow to firm up the findings of this paper and develop the area of research further.

Discussion of findings

In this section we present and discuss our findings. We start with a discussion of the trade associations’ general level of CSR engagement and the substantive CSR issues they address in the light of salient differences between the two industries and the propositions developed in the theoretical framework above. Document references (from trade associations’ web-sites and printed trade association publications) and interview references to trade associations’ CSR engagement are summarised in Table 4.

Level and variety of CSR engagement

The overall level of CSR engagement is inferred here from the extent to which documents and interviews made reference to CSR-related issues in relation to the trade associations. This should yield a useable measure for the purposes of this exploratory paper.

As is evident from Table 4, the water industry trade association, Water UK, refers to CSR-related issues more frequently than the film industry associations, particularly bearing in mind that four web-sites of film industry associations and only one web-site of the water industry association were examined, reflecting the more fragmented nature of the film industry. Water UK also published a separate CSR report (Water UK 2003), whereas we found no evidence for such reporting by any of the film industry associations.

A look at the qualitative nature of the statements confirms the notion of a greater engagement with CSR-related issues in the water industry association. Water UK makes several statements regarding the water industry’s acceptance of social responsibilities and the general importance of CSR for the industry.

It is crucially important for water companies to act responsibly, managing their impacts in a way that minimises environmental harm, protects the water resource and engages people and society in a positive way. [...] We believe that CSR is one of the water industry’s key strengths, and extends far beyond managing our core business. (Water UK 2003: 2)

Film industry associations’ websites or other publications yielded no specific statements regarding the importance of CSR for the industry.

Another measure of the level of CSR engagement in an industry association is the variety of types of CSR-related issues and activities (as summarised in Table 2 above) to which reference is made, also summarised in Table 4. This measure confirms a picture of greater explicit CSR engagement in the water industry association. There are more references to water industry engagement with all aspects of CSR, with the exception of CSR activities related to employees and suppliers, where there is more reference to film industry engagement.

The level and breadth of stakeholder engagement referred to may be a further measure of overall levels of CSR engagement. In both industries, associations appear to be engaging with a range of stakeholders but stakeholder engagement is couched in more general terms in Water UK documents than in film industry association documents. This may denote wider stakeholder engagement in the water industry.

But we can’t do this on our own. As an industry we can take a lot of the steps needed to meet demand for regeneration and development, but we can’t be successful without the support – I could even say the ‘informed’ support – of our stakeholders. (Taylor 2005)
Table 4: Document and interview references to CSR related issues

<table>
<thead>
<tr>
<th>Dimensions of CSR engagement</th>
<th>Water industry Document references</th>
<th>Interview references</th>
<th>Film industry Document references</th>
<th>Interview references</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acceptance of Social Responsibility</td>
<td>'Crucially important for water companies to act responsibly […] CSR is one of water industry’s key strength' [1]</td>
<td>Numerous references to importance of environmental and social performance to individual companies but no specific references to trade association] Examples: 'three main differentiators of the business are quality in its broadest sense, customer service and environmental leadership' [8]</td>
<td>Trade associations, companies and other organisations actively involved in promoting more inclusive approach to film making</td>
<td>[4]</td>
</tr>
</tbody>
</table>


| Stakeholder Engagement | Water UK provides positive framework for engagement with government, regulators, stakeholders and public [1] | RSPB had good person in post to work on next water price review, who had spoken to Water UK [2] | Discussion with government and UK Film Council on tax mechanism [6] |

| Stakeholder Engagement | With sustainability indicators assumption had been that external stakeholder were key audience but most opposition came from companies within industry [3] | Water UK working on strategies for future regulation [13] | |

**Dimensions of CSR engagement**

- **Acceptance of Social Responsibility**
  - Water industry: Document references
  - Film industry: Document references

- **Stakeholder Engagement**
  - Water industry: Document references
  - Film industry: Document references
### Table 4: Continued

| Issues Management | Key CSR issues | Key CSR issues include social and economic regeneration, poverty and social exclusion, health and safety [1] Water industry has important role within the community and a duty beyond that of | Several references to community involvement of individual companies, e.g. in educational or environmental community projects, but not relating to trade association or, explicitly, to industry as a whole |
| Assessment of Business Environment/Advice to Members | Getting information about environmental and social issues from trade associations and other sources [1] Against advice from industry association taken decision to share as much information as possible on land contamination with local authorities [3] It is Water UK’s job to look ahead and to inform and guide members [14] | Decision to develop profile as ‘most environmentally conscious’ industry and develop industry sustainability indicators driven by bad reputation of industry among the public [4] Industry association group is looking at wider environmental issues; consultation from industry association on environmental issues [5] Involvement with trade association’s environmental groups, CBI environmental group [1] Water UK working on strategies relating to sludge and water resources [13] |
| | | Dye track committee dedicated to replacing silver applied soundtracks with pure cyan dye tracks [...] offers major benefits to industry and environment [7] |
| | | Production in UK regions and nations creates significant economic benefit [5] Belief in ability of individuals and communities to express themselves creatively [8] |
| | | Importance of government subsidies to make films representing smaller communities across Europe [6,7] |
Table 4: Continued

<table>
<thead>
<tr>
<th>Consumers</th>
<th>Employees</th>
<th>Water UK has core strategies relating to pricing (which has important repercussions for consumers) [13]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsibility to work harder than most competitive business to engage with consumers [1]</td>
<td>Treatment of workforce and health and safety are key CSR issues [1]</td>
<td>Campaigning to sustain and strengthen new programming for young audiences in this key public service genre [5]</td>
</tr>
<tr>
<td>Great responsibility to customers, to supply high quality water and sewerage and provide value for money [3]</td>
<td></td>
<td>Importance of media programme in improving circulation of European film (considered to have positive implications for cultural diversity) [10]</td>
</tr>
<tr>
<td>Will provide product fit for purpose in quality, reliability and value for money [ . . . ] seek and understand needs and aspirations of customers [ . . . ] take full account of Government health, social and environmental policies [3]</td>
<td></td>
<td>Commitment to disabled people and people of all background being encouraged to work in film production industry. Aware of under-representation in terms</td>
</tr>
</tbody>
</table>
Table 4: Continued

<table>
<thead>
<tr>
<th>Investors</th>
<th>Extensive reference to investors in variety of documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suppliers</td>
<td>Awareness of non-distribution of high proportion of British films, but this is not really a distribution problem [9]</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Policies and Action</th>
<th>Reporting</th>
<th>Water industry as a whole produced sustainability indicators [. . .] companies are producing environmental reports for Water UK [2]</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Development and regular reporting by companies on industry wide sustainability indicators [1;3]</td>
<td>Industry sustainability indicators are useful as a benchmark [8, 11] Development of industry wide sustainability indicators through Water UK was complex process – idea was that they should develop into social indicators as well [3]</td>
</tr>
<tr>
<td></td>
<td>First industry wide CSR report in 2003 [1]</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strategies/ Policies</th>
<th>Water UK helps develop sustainable strategies to reduce environmental impact [3] [also several links and references to policies on individual environmental and social issues]</th>
<th>Company cannot move forward individually on all issues – using Water UK to launch ideas and campaigns, e.g. on pesticides [8]</th>
</tr>
</thead>
</table>

| Research | Joint research with regulators, government, customer representatives and other stakeholders to find out customer | Research into certain environmental and social issues is done at industry level - water industry set up a joint research institution [3, 8, 12] |
The group has met with media regulator Ofcom [the UK’s media and communications industry regulator] and MPs [Members of Parliament] on [the children’s animation] issue, as well as delivered presentations to the industry and liaised with other sector stakeholders on the possible impact of changes in regulation. (PACT website – www.pact.co.uk)

All these measures taken individually and together seem to paint a picture of greater overall
CSR engagement in Water UK than in the film industry associations.

Above we argued that, overall, the water industry is more homogeneous than the film industry. There would seem to be a greater commonality of interest between industry members in the water industry (they all have very similar core businesses and are subject to similar challenges and opportunities), as well as less internal competition, greater subjection to state intervention and a fairly high degree of social cohesion. The film industry, however, is subject to greater external competition. The greater homogeneity of the water industry would seem to give its single trade association a greater chance to influence members than multiple trade associations in the more fragmented film industry appear to have.

As Water UK also shows more overall engagement with CSR-related issues this lends some support to Proposition 1, which held that more cohesive and influential trade associations would engage more with CSR-related issues.

We have also argued above that the UK water industry, on the whole, faces more actual and potential external pressures for socially responsible behaviour and threats to legitimacy than the UK film industry. Arguably, as a vital utility, water services play a more fundamental role in people's day-to-day lives than the cultural and entertainment values provided by the film industry. Lack of access to clean water has an immediately recognisable negative impact on day-to-day life. Lack of access to, and representation through, film has a more subtle impact on individuals. This seems to have resulted in less concern over the impact of the industry upon society.

There have been a number of developments and incidents since the early 1990s that have kept water provision in the public eye, often in a negative way. These include the controversial privatisation of the water industry itself and the ensuing concerns over rising prices to consumers paired with high profits for the companies and high levels of remuneration for their top managers. Widely reported water shortages, particularly in Southern and Eastern parts of UK during the dry years of 1995 and 2006, with restrictions on water use in some areas, paired with equally widely reported high leakage rates from the pipes of some water companies, have led to further dissatisfaction with water services. In addition, there were several high profile pollution incidents related to both water supply and waste water treatment, which caused further public concern about the water industry (see Parker 1997, Maloney 2001 and Bakker 2003 for a more detailed discussion of the UK water industry since privatisation).

In the UK film industry there are legitimacy issues around the fact that much of the funding for films produced in the UK comes from government or quasi-governmental sources and private investment is supported through tax relief schemes. The rationale for this public support is seen to lie in their role in contributing to and communicating national, regional or ethnic culture, promoting socially desirable behaviour, and providing a medium for the communication and exploration of social and cultural issues (Puttnam 1997). This means that the industry needs to be seen actually to be doing all these things, for instance through the production of low-budget films that aim to communicate social issues to the public, in order to maintain its legitimacy with important stakeholders.

On the whole, it can be argued that both industries face legitimacy issues with important stakeholders but that those related to the water industry, by virtue of its fundamental, public health function, are of a greater salience than those faced by the film industry. The water industry association's greater apparent engagement with CSR-related issues would therefore seem to lend support to Proposition 2, which held that trade associations will show a greater level of CSR engagement if their industry as a whole is faced with more threats to its perceived legitimacy.

Symbolic legitimation efforts

In Proposition 3 above we argued that trade associations would be more likely to use symbolic legitimation strategies when faced with the task of repairing legitimacy with one or several salient stakeholders. In this section we are not trying to assess whether the trade associations on the whole
mostly employ substantive or symbolic legitimation strategies, as available data does not permit this. Rather, we are looking for instances of specific legitimacy threats and industries’ collective responses which might lend support to such a notion.

The following section focuses on two of the most visible CSR-related initiatives in the two industries: the development of industry-wide sustainability indicators through Water UK and the development of diversity guidelines and a toolkit through the UK Film Council.

In the late 1990s the water industry developed a set of sustainability indicators that would be used across the entire industry and on which individual companies and the industry as a whole would report annually. The fourth such report was produced in 2003 (http://admin.evolvingmedia.co.uk/users/files/4FinalReport0102.PDF). The initiative to develop these indicators followed some sustained criticism of the industry in the media and in public debate, and was seen by some in the industry as a genuine way to demonstrate environmental performance. By others, however, it was seen more as a public relations exercise, designed to ward off criticism and show the industry as one of the most innovative in environmental and social terms, as this was the first set of national sustainability indicators ever developed by a UK industry. The quotation below reflects this scepticism.

[...] all that stuff on [...] where we say we want to be the most environmentally conscious industry in Britain. Why? Because we have such an appalling reputation among the general public. So, we have such an appalling reputation, [...] you say to yourself: This is bad, I need to improve it, this is very bad, I urgently need to improve it. So enhancing our reputation, nationally, is high up the list [...] And then you ask what can you do to do that? Is there anything environmental we can do? Yes, we can be the most environmentally conscious. [Environment Director, Water Company A, 1996/1997]

Several years after their development, member companies report regularly on these indicators, providing thus a measure of public accountability on an industry-wide basis. While managers within individual companies were generally supportive of the indicators as a form of industry-wide account-

ability, many also felt that they had little impact on actual practices within the companies, as they were based on activities and measures that the companies already carried out anyway.

The water industry as a whole produced those sustainability indicators, the environmental sustainability indicators [...] I get the feeling that it’s now more and more of a drudgery, we’ve got to produce them. [Environment Manager]

It was never quite clear what they were actually going to do. [Environmental Information Manager]

They were responding to a government encouragement that sectors should try and take these things forward. [Environment Manager][Both Water Company A, 2000/2001]

This suggests that the sustainability indicators were developed in the face of significant public criticism of the industry and following government pressure to develop sector-wide responses. The indicators are not symbolic in the sense that they require companies to collect significant amounts of information on actual performance and report this through an industry-wide report. However, the responses above seem to make it clear that the indicators do not drive substantive changes in environmental performance. In that sense they would seem to be a symbolic legitimation strategy (albeit one that requires a certain amount of work from member companies).

One of the issues facing the film industry relates to diversity, both in terms of workforce participation and with regard to portrayal and access. In response to repeated highlighting of this issue, the UK Film Council has developed a ‘Diversity Toolkit’ in an attempt to tackle these issues (http://www.diversitytoolkit.org.uk/). The diversity toolkit covers the areas of cinema-going, working in film and content and portrayal and provides resources, case studies and guidelines for complying with equality and diversity legislation and increasing commitment to addressing issues of equality and diversity. In addition to the toolkit, the Film Council has also initiated (through the Leadership on diversity forum) the establishment of The Equalities Charter for Film, a public pledge, to helping the industry realise the
opportunities from diversity in film and provide a framework for action (http://www.ukfilmcouncil.org.uk/information/aboutus/diversity/eqcharter/).

This charter has been signed by the major employers and trade and industry association in film and television. Film industry associations, such as PACT, refer to this toolkit and make it available through their websites.

While these initiatives are laudable, there is little evidence that such declarations and toolkits can actually tackle inequalities in terms of access and representation. Small professional associations specifically established to tackle existing issues such as women in film and television have this issue as central to their mission, but neither the predominant trade association, PACT nor individual film companies seem to be really driving the diversity agenda. The film industry consists of networks of individuals coming together to work on individual projects (Blair & Rainnie 2000, Blair et al. 2001), and a high degree of nepotism and lack of transparent recruitment and selection practices characterise the industry.

These are two instances of specific responses to external criticisms of the industries. In the water industry this response happened through the trade associations, whereas in the film industry the response was led by the publicly funded UK Film Council and then taken up by some of the trade associations. This is perhaps further evidence that the water industry trade association feels more compelled to engage directly with certain CSR-related issues than the film trade associations. In both cases, there would seem to be some doubt over the extent to which these initiatives drive substantive change. Yet, if they do not drive substantive change, then they need to be considered largely symbolic in nature, which would be in line with the expectations expressed in Proposition 3.

Stakeholder priorities and engagement with different aspects of CSR

Organisations do not generally pay equal attention to all their stakeholders but tend to focus on the most salient ones. Salient stakeholders are thought to be those that are most powerful (Frooman 1999) or those that show the greatest combination of power, urgency and perceived legitimacy (Mitchell et al. 1997). These dimensions of stakeholder salience have been shown to have some empirical validity (Fineman & Clarke 1996, Harvey & Schaefer 2001). The most salient stakeholders for each industry according to these dimensions have been identified from the literature and from our own interviews with managers in the industry. Below we report on the key stakeholders in each industry identified in this way but do not enter a detailed discussion of the concept and measurement of stakeholder salience as this is beyond the scope of this paper. For the UK water industry, stakeholders with an institutional power base, such as government [particularly the Department for Environment, Food and Rural Affairs, (DEFRA)] and industry, quality and environmental regulators, have been found to be the most immediately influential (Harvey & Schaefer 2001). Other stakeholders, such as customers and the public, employees and shareholders were also thought to be important but did not have the same salience as the first group. For the UK film industry, the most influential stakeholders include government through tax relief and direct funding (via the UK Film Council), broadcasters such as the BBC, and other major distributors, mostly in the form of global distribution networks, controlled by the major Hollywood studios (Thompson & Bordwell 2003, Scott 2005). The main public good concerns of these stakeholders vis-à-vis the two industries are shown in Table 2.

Table 4 shows that the trade associations in the two industries appear to engage differentially with different substantive aspects of CSR, as adapted from Davenport (2001). Environmental issues play a very large role in both the document and interview references from the water industry but only a very minor one for the film industry. Trade associations in both industries seem to concern themselves to a fairly significant degree with community issues. Consumer issues again seem to be of greater concern to Water UK than the film industry associations. On the other hand, film industry associations collectively seem to show a greater concern with employee and supplier issues. Associations in both industries seem to
concern themselves to a significant extent with shareholder and funding issues. These differential concerns with particular CSR issues show some congruence with the chief public good concerns of the industries’ main stakeholders.

The core business of the water industry is twofold: to provide clean drinking water for the population and to safeguard the natural environment by providing safe sewerage and waste-water treatment services. For these reasons it is not surprising that its key stakeholders should be particularly concerned with the quality of drinking water provision and the protection of the aquatic environment, and that these concerns should figure prominently among Water UK’s CSR issues (under ‘environment’ and ‘community’ and ‘consumers’, respectively, in Table 4).

In the United Kingdom, the DEFRA is ultimately responsible for both drinking water and environmental protection. It has a dedicated policy on water and the water industry, which lists three environmental aspects (quality of water in rivers, lakes and estuaries, coastal and marine waters; sewage treatment; reservoir safety) and one health and safety aspect (drinking water quality). The water industry is also one of several industries for which the Environment Agency has dedicated policies and guidelines and, although Ofwat does not see its main role in environmental protection, it has a statutory duty to safeguard the environment in its regulation of the water industry.

Water UK therefore does appear to be focussing on two of the key concerns of its stakeholders (drinking water quality and environmental protection) in its statements on CSR-related issues. One key concern of Ofwat, however, i.e. delivering good value for customers (via maintaining or reducing prices), does not seem to find the same kind of echo in Water UK’s and other industry statements. The water industry, naturally, has no real interest in charging lower prices for its services and, instead of focussing on price cuts, the industry seems to prefer to focus on those areas of public concern where it can show how it is using the money it receives from customers for the delivery of wider social goods, e.g. public health and environmental performance.

In the film industry we can also detect some overt congruence between the priorities of the UK Film Council and some of the CSR-related issues addressed by the trade associations. One area of overlap is in the area of diversity (of the workforce and of the viewing public) as discussed above. The UK government’s concern with diversity in film, as expressed through the UK Film Council, finds some echo in film industry association statements. One of the other key stakeholders of the film industry are the major distribution networks, dominated by the Hollywood majors (Kerrigan & Özbilgin 2004). This results in a focus on financial profit motivation. There appears to be an inevitable tension between UK government attempts to widen access and representation and the Hollywood focus on profit.

On the whole, there seems to be some evidence that the chief CSR-related concerns of trade associations and the key stakeholders of their industries overlap to some extent, and that trade associations are more likely to address CSR-related issues that are of concern to their stakeholders than other issues. This would seem to lend some support to Proposition 4. This is not, however, a total congruence. Trade associations may choose not to address certain stakeholder concerns that they find problematic or may only address them in an indirect way in order to demonstrate that this particular stakeholder concern or expectation is unwarranted. Where the concerns of different key stakeholders are in conflict, industries and their trade association may choose to address one of these concerns in a symbolic fashion only, while responding more substantively to another.

Conclusions

This paper has presented two rather different cases of trade association engagement with CSR issues. Water UK, the trade association of the UK water industry, appears to be engaging with CSR issues to a greater extent than trade associations in the film industry. A number of factors would seem to contribute to this difference.
One such factor is the primary business purpose and the level of public criticism of the industry. The main purpose of the water industry can be seen as a social and environmental one as it exists to provide individuals and businesses with clean water and safeguard people and the environment against pollution from sewage. This has probably contributed to the vigorous and often hostile public debate about the industry, particularly in the years immediately following privatisation. The film industry does not understand its main business purpose in terms of public service or social issues to the same extent, but is mainly an entertainment industry, which would also seem to be reflected in public views of, and external pressures on the industry. Cultural products perhaps do not generally receive as much public attention in terms of social issues as do utilities. The main CSR-related concerns of trade associations thus seem to reflect the business concerns of their membership and the key social concerns of their key stakeholders.

The extent to which the industries are seen to provide a vital public good and the level of public interest in their performance is related to different levels of regulation. The water industry faces heavy regulation on economic, social and environmental issues, which affects all companies more or less equally. This is likely to contribute to a tendency to find joint solutions to issues affecting all and to make joint lobbying efforts. The film industry, on the other hand, is regulated to a much lesser extent, putting less pressure on individual firms and trade associations to engage with social issues and come to joint positions in these matters. Our findings are in line with an expectation – expressed in Proposition 2 – that trade associations of industries that face greater public criticism and external threats to legitimacy would pay more attention to social responsibility issues.

The different structure of the two industries and their trade associations, arising, in part, out of their main business purpose and their history, also seems influential. While more commercial considerations have quickly become established in the privatised water industry, its nature as a public utility and history as a public service remain influential in its thinking. Social responsibility issues may be more at the forefront of managers’ and trade association staff’s thinking. Public service history and limited competition may also make it more natural for companies to discuss issues at an industry level and adopt joint positions. By contrast, the much more fragmented nature of the film industry, heavy competition for government funding and access to distribution for films, and often very small size of the individual organisations may mean that joint action at industry level is considered more difficult and costly for individual organisations, as well as less pressing. In the cases studied here more homogeneous and cohesive trade associations did seem to find it easier and be more inclined to become active in a variety of areas, including CSR, as was suggested in Proposition 1.

In this paper we have tried to show that industry association can potentially play an important role in responding to, and shaping, social responsibility issues on behalf of their member organisations. It should be noted that, of course, not all such activities constitute a positive move for greater social engagement. They may even serve the contrary purpose, for instance where an industry lobbies for less stringent environmental or social standards. Some social responsibility initiatives, at industry as well as at company level, may also be not much more than cosmetic, symbolic measures, designed to repair industry legitimacy, as suggested in Proposition 3 above. In this sense, trade associations may engage in legitimating strategies that might be considered problematic or even unethical (Ashforth & Gibbs 1990). However, industry associations also have the potential to contribute constructively to society-wide debates on the future direction of important industrial activities and to shape their members’ activities in a positive way, as suggested by Gupta & Brubaker (1990). The extent to which industry associations engage in social responsibility related activities on behalf of their members would seem to depend on a number of factors, including the nature of the industry, its history and structure and the level of external pressure it faces. As governments worldwide place more importance on encouraging
companies in all types of industries to engage in CSR activities, we may find that more industry associations take on a stronger role in this field.

**References**


Meyer, J.W. and Rowan, B. 1977. ‘Institutionalized organizations: formal structure as myth and cere-


Dear Author,

During the copy-editing of your paper, the following queries arose. Please respond to these by marking up your proofs with the necessary changes/additions. Please write your answers clearly on the query sheet if there is insufficient space on the page proofs. If returning the proof by fax do not write too close to the paper’s edge. Please remember that illegible mark-ups may delay publication.

<table>
<thead>
<tr>
<th>Query No.</th>
<th>Description</th>
<th>Author Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>AQ: Please confirm the change of year from 1996 to 2006 as per the reference Chizema &amp; Buck (2006).</td>
<td></td>
</tr>
<tr>
<td>Q2</td>
<td>AQ: Please confirm the change of year from 1979 to 1984 for the reference Giddens 1984.</td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>AQ: Please confirm the change of year from 2001 to 1998 as per the reference Thatcher (1998).</td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>AQ: Scott (2003) has not been included in the list, please include and supply publication details.</td>
<td></td>
</tr>
<tr>
<td>Q5</td>
<td>AQ: Thompson &amp; Boardwell (2005) has not been included in the list, please include and supply publication details.</td>
<td></td>
</tr>
<tr>
<td>Q6</td>
<td>AQ: Easterby-Smith et al. (2002) has not been included in the list, please include and supply publication details.</td>
<td></td>
</tr>
<tr>
<td>Q7</td>
<td>AQ: Yin (1984) has not been included in the list, please include and supply publication details.</td>
<td></td>
</tr>
<tr>
<td>Q8</td>
<td>AQ: Davenport (2001) has not been included in the list, please include and supply publication details.</td>
<td></td>
</tr>
<tr>
<td>Q9</td>
<td>AQ: Please cite DEFRA. (2002) in the text or delete from the list.</td>
<td></td>
</tr>
<tr>
<td>Q10</td>
<td>AQ: Please provide page range for reference Huberman and Miles (1998).</td>
<td></td>
</tr>
<tr>
<td>Q11</td>
<td>AQ: Please provide further details for reference <a href="http://admin.evolvingmedia.co.uk/users/files/0Water_UK_Stakeholder_Consultation">http://admin.evolvingmedia.co.uk/users/files/0Water_UK_Stakeholder_Consultation</a>.</td>
<td></td>
</tr>
<tr>
<td>Q12</td>
<td>AQ: Please provide further details for reference <a href="http://admin.evolvingmedia.co.uk/users/files/0Water_UK_Business_Plan_Stakeholder_Consultation.pdf">http://admin.evolvingmedia.co.uk/users/files/0Water_UK_Business_Plan_Stakeholder_Consultation.pdf</a>.</td>
<td></td>
</tr>
<tr>
<td>Q13</td>
<td>Please provide further details for reference <a href="http://www.diversitytoolkit.org.uk">http://www.diversitytoolkit.org.uk</a>.</td>
<td></td>
</tr>
<tr>
<td>Q14</td>
<td>Please provide further details for reference <a href="http://www.fact-uk.org.uk">http://www.fact-uk.org.uk</a>.</td>
<td></td>
</tr>
<tr>
<td>Q15</td>
<td>Please provide further details for reference <a href="http://www.fact-uk.org.uk">http://www.fact-uk.org.uk</a>.</td>
<td></td>
</tr>
<tr>
<td>Q16</td>
<td>Please provide further details for reference <a href="http://www.pact.co.uk">http://www.pact.co.uk</a>.</td>
<td></td>
</tr>
<tr>
<td>Q17</td>
<td>Please provide further details for reference <a href="http://www.ukfilmcouncil.org/funding/distributionandexhibition/dsm">http://www.ukfilmcouncil.org/funding/distributionandexhibition/dsm</a>.</td>
<td></td>
</tr>
<tr>
<td>Q18</td>
<td>Please provide further details for reference <a href="http://www.water.org.uk">http://www.water.org.uk</a>.</td>
<td></td>
</tr>
</tbody>
</table>