



# An exploration of NGO and media efforts to influence workplace practices and associated accountability within global supply chains



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## ABSTRACT

This paper investigates how social and environmental non-government organisations (NGOs) use the news media in an endeavour to create changes in the social performance and associated accountability of multinational buying companies' (MBCs') supply chains located in a developing country such as Bangladesh. In this research, we explicitly seek the views of senior officers from global and local NGOs operating in Bangladesh, as well as the views of journalists from major global and local news media organisations. Our results show that social and environmental NGOs strategically use the news media in an effort to effect changes in corporate workplace and related disclosure practices. More particularly, both the NGOs and the news media representatives stated that NGOs would be relatively powerless to create change in corporate accountability without media coverage. This is the first known study to specifically address the joint and complementary role of NGOs and the news media in potentially creating changes in the social and environmental operating and disclosure practices of supply chains emanating from a developing country.

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## 1. Introduction

Research focusing on corporate social and environmental performance and associated accountability issues generally, and within corporate supply chains specifically, appears to have increased across the last decade (see for example, [Hervani, Helms, & Sarkis, 2005](#); [King, Lennox, & Terlaak, 2005](#); [Lee & Kim, 2009](#); [Schaltegger, Windolph, & Herzig, 2012](#); [Seuring & Müller, 2008](#); [Winstalney, Clark, & Leeson, 2002](#)). However, there appears to be a relatively limited amount of research that explores how the social performance and associated accountability of organisations within corporate supply chains – particularly those in developing countries – are influenced by the efforts of particular stakeholder groups (although, see for example, [Islam & Deegan, 2010](#); [Islam & McPhail, 2011](#)). This study seeks to address some of this void. In particular it seeks to investigate how non-government organisations (NGOs) and the news media act to influence the social performance and related accountability of supply companies located in Bangladesh, and which produce goods for large high profile multinational buying companies (MBCs).

Within the social and environmental accounting literature there have been numerous studies that have investigated the factors that motivate the adoption of particular corporate social and environmental strategies and related disclosures. As

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Deegan (2014) notes, within the social and environmental accounting research literature, corporate responses have been found to be influenced by a variety of factors including:

- a desire to establish, maintain or regain organisational legitimacy;
- a perceived need to satisfy the expectations of powerful stakeholders;
- as an effort to conform with industry norms of operations and associated reporting; or
- by a management belief that it is important from an ethical perspective to demonstrate transparency in relation to social and environmental performance.

Another factor that has been shown to drive corporate social responsibility activities and related disclosure is media attention – particularly negative media attention – with any reactions often being explained through the lens of legitimacy theory (for example, see Brown & Deegan, 1998; Deegan, Rankin, & Tobin, 2002; O'Donovan, 1999). However, although numerous social and environmental accounting researchers have provided evidence to show a positive relationship between media attention and corporate social disclosure, typically using secondary data, there is a general paucity of information about seemingly important and related issues, such as:

- if the media does influence corporate social activities and related disclosures, perhaps through changing community demands and expectations of organisations, what factors influence the media's own agenda?
- the extent to which individuals within the media consider they indeed have the power to be able to influence corporate social performance and associated accountability; or
- how particular groups, such as social and environmental NGOs, might strategically use/cooperate with the media to influence the social performance and associated accountability of corporations.

An understanding of some of the above issues is arguably necessary so that researchers – inclusive of social and environmental accounting researchers – more fully understand the context in which the media and NGOs apparently play a part in creating changes to corporate social and environmental operating and related disclosure practices. Whilst a positive relationship between media attention devoted to corporate social and environmental performance issues, and related corporate social and environmental disclosure, is now fairly well accepted within the social and environmental accounting literature, we explore the role of the media in exposing particular social and environmental issues relating to supply companies operating within a developing country. What is particularly new in this research is that we explore how organisations, such as social and/or environmental NGOs, use the media (or perhaps, even 'team-up' with the media) as part of their strategies to create changes in the social performance and social disclosure practices of target organisations and industries, and how the media and NGOs act in a complementary manner to create changes in the workplace practices and associated accountabilities of organisations located within developing countries. This study explicitly seeks the views of senior officers from global and local NGOs operating in Bangladesh, as well as the views of journalists from major global and local news media.

MBCs headquartered within developed countries typically use supply chains located in low-wage developing countries including Bangladesh, Vietnam, Thailand, Indonesia, India, China and Cambodia (Rahman, 2004; Wilkins, 2000; World Bank, 2007; WTO, 2004). Hand in hand with using supply chains located within developing countries, a number of high-profile MBCs often face mounting criticisms from various stakeholder groups about the use of child and forced labour, factory fire accidents, and verbal and physical abuse of workers in their suppliers' factories (Bachman, 2000; Haltsonen, Kourula, & Salmi, 2007; Spar, 1998; Sullivan, 2003; Wah, 1998). This is the case even though the multinational organisations' supply chains are typically complying with (minimal) workplace standards set by regulators within the developing countries – standards that are typically well short of what would be expected in developed countries (Braithwaite, 2006).

A range of different NGOs and trade unions have become involved in organisational networks to exert collective pressure on corporations to implement workplace social responsibility policies (Braun & Gearhart, 2004; Dicken, 2003; Frenkel & Scott, 2002; Gereffi, Garcia-Johnson, & Sasser, 2001; Hughes, Buttle, & Wrigley, 2007; Sullivan, 2003; Wah, 1998). By using tactics including boycotts, banner hangings, leafleting and other direct action, NGOs have the potential to use their power, and the vulnerability of corporate brand names, to the advantage of local factory workers (Gereffi et al., 2001; Ojiambo, 2002). The media appear to be active in shaping consumer behaviour and effecting changes in corporate accountability and related practices. With this in mind, NGOs can, and typically do, use the news media as a key part of their strategies to raise consumer concern and awareness of MBCs' operating practices in developing countries (De Tienne & Lewis, 2005; Li, 2001; Spar, 1998). In response to media criticism and NGO campaigns, MBCs have been found to thereafter exert pressures on their suppliers within developing countries to put in place policies and procedures that are in turn perceived as being socially responsible in the eyes of western consumers (see for example Emmelhainz & Adams, 1999; Islam & Deegan, 2008; Kolk & van Tulder, 2002; Radin, 2004; Sethi, 2002; van Tulder & Kolk, 2002). Therefore, because of their apparent influence, the actions of both NGOs and the media arguably warrant the attention of people interested in supply chain management issues.

For the purposes of this paper, and consistent with Gray, Owen, and Adams (1996: 38) we consider 'accountability' to represent 'the duty to provide an account (by no means necessarily a financial account) or reckoning of those actions for which one is held responsible'. If stakeholders are not aware of particular activities being undertaken, or the scale or the

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