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Corporate motives for multi-stakeholder collaboration– corporate social responsibility in the electronics supply chains

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A B S T R A C T

The issue of "conflict minerals" has received global attention and various attempts have been made to resolve this issue. This qualitative study explored the multi-stakeholder collaboration approach for addressing complex corporate social responsibility issues in global supply chains, using the case of the electronics industry. Perceived corporate motives and challenges to engaging in multi-stakeholder collaboration and dialogue were explored based on empirical data obtained through in-depth, semi-structured interviews with management representatives for three case companies. The main motives expressed for participating in multi-stakeholder collaboration by representatives of the case companies were primarily linked to the complex nature of the conflict minerals problem and the fact that a diverse set of stakeholders is needed to achieve solutions. However, this diversity of stakeholders and per-spectives also poses challenges for the case companies. Overall, the findings emphasise the importance of a collective approach when addressing complex social responsibility issues that reach beyond traditional company boundaries.

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1. Introduction

The concept of "Corporate Social Responsibility" (**CSR**) comprises a synthesis of an organisation's economic, social, political and environmental responsibilities (e.g. Carroll, 1991; Scherer and Palazzo, 2011), the voluntary nature of these activities and the importance of stakeholder relations (Freeman, 1984; Dahlsrud, 2008). This is closely tied to the question of the relationship between business and society (Albareda, 2008; Carroll, 1999; Scherer and Palazzo, 2011). CSR is associated with the idea of adjusting corporate goals so that they are not only based on maximising corporate profits, but also include ethical standards on socially desirable behaviour (Boatright, 2009). Yet the question remains of how companies can legitimately and practically contribute towards designing socially desirable solutions for the greater good of society.

Large companies hold dominant position in modern society (Hopkins, 2007). Scherer and Palazzo (2011) argue that given globalisation and the arguably increasingly powerful positions of multinational corporations (**MNCs**) in the global market, CSR as a concept has "political" relevance beyond instrumental value creation by including aspects of governance and moral responsibility. *Political* in this sense means the involvement of civil society and stakeholders in corporate decision-making, where the process of involvement is *deliberative* in nature (Scherer and Palazzo, 2011; Young, 2006). The traditional view of CSR, the so-called instrumental approach with its single company strategy, usually cannot properly address complex problems such as climate change, corruption or human rights violations, as companies that "respond individually often find themselves at a disadvantage to their competitors, which have lower standards" (Waddell, 2003, p. 39).

Among many different approaches to CSR, one which focuses on multi-stakeholder collaborations (**MSCs**) and dialogue is often proposed to address multifaceted problems (Lehr, 2010; Pinkse and Kolk, 2012). Roloff (2008b) for example argues for a collective approach that brings together various stakeholder groups from different sectors in order to collectively address a complex problem. The collective approach can be a valuable way of addressing issues in novel problem areas, such as human rights issues, working conditions and sustainable production challenges within global supply chains, as well as in situations where command-and-control regulations cannot provide appropriate solutions (Lehr, 2010). Regulators often do not have the necessary expertise to develop and design proper regulations for difficult and pluralistic cross-

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boundary situations. Moreover, legally binding regulations require resources for enforcement. Multi-stakeholder initiatives, i.e. MSCs, while fuelled by proactive corporate voluntarism, can overcome at least some of these shortcomings of command-and-control rules in some specific situations (Lehr, 2010). In addition to having the potential for addressing governance or regulatory gaps, MSCs are also argued to be beneficial when addressing resource, participatory and learning gaps (Pinkse and Kolk, 2012).

A substantial proportion of the academic literature covering inter-organisational collaborations focuses mainly on "market-oriented relationships such as corporate economics strategy, strategic alliances, or collaborative leadership with little application to CSR, sustainability, or stakeholder engagement beyond their economic implications" (Murray et al., 2010, p. 162). The mining industry is a sector well known for conflicts (Bebbington, 2014) and as a focus of inter-organisational collaborations in addressing sustainable development challenges (Table 1).

The issues identified to date in the literature (Table 1) indicate that many problems in the mining industry are complex and interdependent. In the specific case of "conflict minerals", the challenges reported reside with a number of the stakeholders in the supply chain for the electronics industry. Conflict minerals in this case refer to minerals sourced in the eastern Democratic Republic of Congo (**DRC**) under (mining) conditions linked to armed conflict and human rights abuses (BSR, 2010). These minerals are in great demand on today's global market, because after being refined, they end up in e.g. consumer electronic goods such as laptops and mobile phones. The issue of conflict minerals represents a case where multi-stakeholder collaboration has been recognised as a possible way forward (Lehr, 2010) and where there is a need for "empirical research concerning the right tools and processes for managing" such a challenge (Scherer and Palazzo, 2011, p. 920). In a contribution to such research, this study examines corporate motives for active participation in a multi-stakeholder initiative in the electronics industry. The electronics industry has been the leading industry encountering the conflict minerals issue to date (RSN, 2013), but the question of why has not been fully examined. The results of this study are intended to serve as decision support for other industries, e.g. the aerospace and automotive industries, which are dependent on the same minerals, and to provide inspiration for other actors forced to address similar complex sustainability problems.

The overall aim of this study is to provide insights and explore corporate motives for addressing complex CSR concerns in multi-stakeholder collaborations. It is descriptive in nature and follows an inductive research approach. The paper is structured so that a literature review on multi-stakeholder collaboration is first presented, to serve as a theoretical framework. This is followed by a description of the research design for the study. The empirical cases are then explored in detail by presenting their background and empirical findings. Finally, an analysis and discussion are presented and some conclusions are drawn.

2. A literature review: the essence of multi-stakeholder collaboration

Within the existing literature on the topic of multi-stakeholder collaboration (**MSC**) and cross-sector partnerships, it is apparent that different authors use different terminology. According to Selsky and Parker (2005, p. 850), this is not unusual for a "new and evolving field". Thus terms such as multi-stakeholder partnerships, initiatives, processes and networks refer to similar collective arrangements, with these terms often being used interchangeably. In this paper, the term "collaboration" refers to a "positive form of working in association with others for some form of mutual benefit" (Huxham, 1996, p. 1). The notion of "multi-stakeholder" is also a vague concept (Fransen and Kolk, 2007). Breaking up the concept, "multi" refers to three or more stakeholder groups (Hemmati, 2002). "Stakeholder" means "any group or individual who can affect or is affected by the approach to the issue addressed" (Roloff, 2008b, p. 238). MSCs usually include stakeholders from the public and private sectors, as well as civil society representatives (Roloff, 2008b), and are therefore sometimes referred to as cross-sector networks or inter-organisational collaborations.

Scherer and Palazzo (2011) point out different goals of MSCs ranging from dialogue to designing and monitoring standards. However, the overall aim of all MSCs is generally to allow more voices into decision-making and to balance power asymmetries between different interest groups. The idea is to achieve a dialogue that is deliberative in nature (Bond, 2014), meaning that multiple perspectives are included and not just the views of a particular stakeholder or group (Roloff, 2008b). In MSCs, actors work together in a non-hierarchical way characterised by a network structure (Hodge, 2014). Within the network, collective learning takes place and trust between the participants is an important factor (Svendsen and Laberge, 2005). Information and knowledge about a common challenge are gleaned from different stakeholders, while collaboration is the overall aim of the process (Roloff, 2008a). A MSC can be viewed as a "living system" where the whole is greater than the sum of its parts (Svendsen and Laberge, 2005).

2.1. The main corporate motives for multi-stakeholder collaboration

Many contemporary social issues require collaboration across sectors and necessitate public and private actors working together (Young, 2006). The popularity of collaboration also relates to the understanding that "the fortune of each sector is inextricably linked to the other" (Googins and Rochlin, 2000, p. 128). MSCs typically aim to achieve "collaborative advantage", meaning that partners

Table 1
Contemporary challenges for sustainable development in mining.

Problem in focus	Suggested learning outcomes	Author, year
Intergenerational equity and land conflicts	Ongoing research in many disciplines to address these problems	Moran et al., 2014
Distributional challenges and business models that lead to conflicts in use of resources	A combination of development and democracy referred to as "relationships with integrity"	Hodge, 2014
Needs for peace-building methods in conflict resolution	"Positive peace" to reduce conflicts between mining companies and communities	Bond, 2014
Lacking political stability which is seen as a condition for corporate ethical sourcing (in this case concerning conflict minerals)	Wicked problems in mining is merely a "tip of the iceberg" from which much can be learned for other value chains. Needs to understand the corporate discursive strategy, the role of corporations	Jameson et al., 2015; Arikan et al., 2015
Conflict filled sourcing for minerals unless the problem is addressed responsibly	Standards as means for downstream industries to influence upstream raw material producers	Young, 2015