Authenticity, appropriation and intrusion as issues in corporate social responsibility

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Abstract

In this study I focus on CSR initiatives that appropriate goals values and categories from competing institutional logics to better understand why some of these initiatives are seen as authentic by stakeholders, while others are viewed as fake. I illustrate my theory development with examples from the competing logics of food production and distribution, and explore the differences that have produced varying outcomes in terms of perceived authenticity. I begin with a review of the literature and then discuss the multiple logics of food systems and the perceived authenticity of CSR initiatives in this arena.

Keywords: corporate social responsibility; neo-institutional theory; authenticity; food systems
Introduction

The nominal goal of most corporate social responsibility (CSR) initiatives is to achieve sustained competitive advantage by attracting and retaining support from consumers and other stakeholders (Devinney, 2009; Porter and Kramer 2011, McShane and Cunningham, 2012; Waddock, 2008) for a firm and its brands (Grayson and Martinec, 2004). CSR initiatives usually involve activities and goals that appear to be at odds with the corporate logic of profit, such as philanthropy, community development, environmental conservation or social justice (van Marrewijk, 2003). These actions are seen by some as an attempt to satisfy an alternative logic that prioritizes the well-being of society and may not align with competitive strategy (Devinney, 2009). More and more corporations are engaging in CSR activities and launching initiatives to benefit diverse sets of stakeholders. This trend makes it appear that CSR has become an accepted element of corporate institutional logic.

The reality is that while approval of this trend is generally high among executives, suppliers and consumers, CSR initiatives are frequently challenged by stakeholders who view these programs as inauthentic window dressing (Beckman et al., 2009; Bingham et al., 2011; Classen and Roloff, 2012; Ewing, Allen and Ewing, 2012; McShane and Cunningham, 2012; Perez-Batres et al., 2012; Porter and Kramer, 2011). That is, the socially responsible initiatives corporations engage in may sometimes reinforce negative perceptions of the corporation rather than build positive images of it. To overcome this problem, scholars and managers need to understand which initiatives are likely to be viewed negatively by which stakeholders and why. In order to develop theory about this problem, I discuss two related issues: the existence of multiple institutional logics and the problem of authenticity.

In contexts where multiple institutional logics (Greenwood et al., 2011) create ambiguity over what constitutes legitimate societal action, corporate actors often appropriate goals, values, actions and categories from competing logics (Boxenbaum and Battilana,
2005). Because whether goals, values and categories are perceived as legitimate depends on the logic that guides observers, actors attached to competing logics often resist appropriation (Abbott, 1988; Ewing, Allen and Ewing, 2012; McShane and Cunningham, 2012). Some challenges to CSR initiatives spring from this contest between socially constructed meaning systems. Whether adoption of a behavior is received negatively often depends on whether the initiative in question is viewed as authentic (Grayson and Martinec, 2004; Liedtka, 2008) by stakeholders who adhere to competing institutional logics.

Authenticity, the perception that an object or action is real, genuine or true, has become a widely used concept in the marketing literature. Authenticity has also begun to be adopted as a design principle in the problem of crafting CSR initiatives that will be embraced by stakeholders who might otherwise resist (Ewing, Allen and Ewing, 2012; McShane and Cunningham, 2012). Scholars have begun to adopt the idea from the philosophy of Peirce (1998) that perceived authenticity is not an all or nothing proposition. Perceptions of authenticity can range from indexical to iconic. Indexical authenticity depends on provenance. It is defined as the perception that an object has a factual and spatiotemporal link to something else that signifies that the object is an original (Grayson and Martinec, 2004). Iconic authenticity involves ‘schematic fit without an external reference’ (Ewing, Allen and Ewing, 2012). An artist’s signature and date on a painting create indexical authenticity. Iconic authenticity is what we recognize when we say that a reproduction is true to an original. When multiple institutional logics exist, the type of authenticity assigned to an object and whether it is negatively received depends on who is making a comparison to what standard. While the marketing literature has argued that brands and market offerings should strive for indexical authenticity to get consumer buy-in, in this study I argue that perceptions of both forms of authenticity are applied to CSR initiatives by stakeholders based in different institutional logics.
This paper seeks to develop the ideas sketched in this introduction by discussing the relevant literatures, drawing connections between them and interpreting an extended example. As such this is a work of descriptive conceptual theory building rather than an attempt at empirical validation. I follow the literature review with an in-depth interpretation of examples of appropriation and intrusion between institutional logics and problems of authenticity in CSR initiatives in the global food industry.

**Literature Review**

Thornton, Jones and Kury (2005) define institutional logics as “… organizing principles [that] spell out the vocabularies of motive, the logics of action, and the senses of self for sector participants (Friedland and Alford, 1991). They reveal the deeply held and often unexamined assumptions by which reasoning takes place. The institutional logics of each societal sector shape an interpretation and view of archetypical organization structures and governance mechanisms used to coordinate economic activity as a part of a broader range of sector institutions (p. 128).” Scott (1991) defines institutions as “…cognitive, normative and regulative structures and activities that provide stability and meaning to social behavior. Institutions are transported by multiple carriers – cultures, structures and routines – and they operate at multiple levels of jurisdiction (p. 33).”

Beginning with Friedland and Alford (1991) institutional theorists have proposed that multiple institutional logics exist in society and that these often come into conflict. Thornton, Jones and Kury (2005) follow Friedland and Alford (1991) and discuss six societal sectors: market, corporation, profession, state, family and religion. They argue that each sector has its own institutional logic. These sectoral logics depend on different sets of institutions, define identity differently and are associated with differing sets of motives and beliefs. Most analysis of institutional pluralism (the idea that multiple logics operate simultaneously) takes place at the level of the organization embedded in an organizational field. Organizational
fields (DiMaggio and Powell, 1983) are defined as "sets of organizations that, in the aggregate, constitute a recognized area of institutional life; key suppliers, resource and product consumers, regulatory agencies, and other organizations that produce similar services or products (p149)." Another way to say this is that organizational fields are defined by the interaction of various stakeholder groups that adhere to different institutional logics. The key difference is that where stakeholder theory (Clarkson, 2005; Waddock, 2008) has tended to deal with instances of relations between stakeholders and organizations, institutional theory treats stakeholder groups and their worldviews, interests and logics as sectoral elements of organizational fields.

Many sociologists and historians have documented transitions between dominant logics in the histories of organizational fields. (Lounsbury, 2002; Thornton, 2002) Several authors have traced a shift from a professional logic to a corporate one in accounting (Greenwood and Suddaby, 2006; Thornton, Jones and Kury, 2005). Jones (2006) shows how the film industry moved from a professional logic based on technology to a market logic based on content in the early part of the 20th century. The film industry has cycled between these logics repeatedly – with the advent of sound, the development of television and the emergence of digital filmmaking techniques. Greenwood et al., (2011) criticize this type of study because a focus on succession implies that logics are necessarily incompatible.

Scholars who place a greater emphasis on processes have focused more directly on institutional pluralism. These scholars have argued that even when a given logic is dominant, the other logics continue to operate (Friedland and Alford, 1991; Greenwood et al., 2011), in large part because the multiplicity of stakeholder groups is seldom reduced by the establishment of a status order. Pluralism is also facilitated by the fact that institutional logics can overlap by sharing values, behaviors, structures and adherents. Overlap means that alternative ways of making sense are always available. Abbot (1988) proposes that
professions and academic domains are characterized by tensions between schools of thought and method, each of which has its own internal logic. Competing logics partially overlap and are continually renewed and rediscovered, as individuals and organizations use them to make sense of the world. In a similar vein Karl Weick (1979) proposed that as individuals move between different environments, they shift between logics. He called this concept partial engagement, and proposed that what individuals know and how they behave is context driven. For Weick, as for Peirce (1988), borrowing across contexts and logics is a process of abduction. Although neither author uses abduction pejoratively, both convey a sense that this kind of appropriation disrupts the receiving context and simultaneously changes the way the abducted idea, structure or behavior is perceived in the logic where it originated.

Greenwood et al., (2011) propose that that institutional complexity mediates the relationship between institutional pluralism and organizational action. They define institutional complexity as occurring when organizations are subject to incompatible prescriptions from several institutional logics. Because they recognize it as a key overlooked question in institutional theory, Greenwood and his co-authors (2011) provide a richer definition of incompatibility. They argue that logics are incompatible when the goals and means that an institutional logic treats as legitimate are in conflict. Overlap, where goals or means are shared or in agreement, reduces complexity. They further argue, following Goodrick and Salancik (1996), that incompatibility depends on the specificity with which goals and means are prescribed by competing logics. Less specific prescriptions allow for greater discretion concerning which goals and means are accepted as legitimate. Goals/means specificity determines discretion, which in turn determines how permeable an institutional logic is. Greenwood and Hinings (1996) say that an institutional logic is permeable when it is open to actors, structures and behaviors originating in alternative logics.
Greenwood et al., (2011) further propose that the relationship between institutional pluralism and institutional complexity is moderated by field level structure. They examine two approaches to field level structure. First, they point out that many scholars contrast mature fields with emerging ones. Maturity is characterized by stable sets of relations between actors in organizational fields and the institutional logics they subscribe to. Since there can be stable relationships in which actors based in several logics are able to demand compliance with the incompatible prescriptions of their logics, mature fields can be institutionally complex. Emergent fields lack stable relationships, which makes it difficult for adherents of any logic to successfully demand compliance.

The second approach Greenwood et al. (2011) use to describe field level structure expands on the idea of maturity. They focus on three attributes of organizational fields: fragmentation, formalization of structure, and centralization (Meyer and Rowan, 1977). Field level fragmentation describes the range of demands actors within the field are exposed to. There are two attributes of fragmentation in organizational fields. First, in a fragmented field, the status order of logics is unresolved. When no logic can claim dominance, many prescriptions may be accepted as legitimate, and actors may have more discretion. This leads to the second attribute of fragmentation, which is that a field is more fragmented when adherents of more logics can make demands on others for compliance. Fragmentation is thus central to institutional complexity in combination with institutional pluralism.

Organizational fields can also be formalized. This attribute emerges as the constituent logics of the field become more formally organized and develop stable relationships with each other. An institutional logic is more formally structured when the roles, status and relationships that constitute it are well defined (Meyer, Scott and Strang, 1987) and the stakeholders who adhere to it are organized. An organizational field is formalized when relationships between competing logics when relationships between the roles, motives and
behaviors in the different logics are well defined. When a field is formalized, the contest between logics generates a very different level of institutional complexity than when the field is informally organized. Finally, organizational fields are more highly centralized when an effective hierarchy of decision making or status is present among institutional logics. Increased formalization is associated with maturity and reduced discretion, as is increased centralization. Both attributes should reduce institutional complexity, either by prioritizing the conflicting prescriptions of competing logics, or by resolving the conflicts at a higher level of authority in a hierarchy.

**Authenticity, CSR and institutional logics**

Authenticity is a concept most readily applied to physical objects. An artwork with a provenance that ties it to the artist, or an object from a historical period, or an object that exemplifies a particular style can be indexically authentic. In contrast an object ‘in the style of’ or an accurate reproduction or a modern object of an older style can be iconically authentic. Something that is indexically authentic is genuine – it is the thing it is claimed to be. Something that is iconically authentic is a near substitute in some way – it has appropriate features, stands in an appropriate relation to some reference or looks like it belongs. Ewing, Allean and Ewing (2012) call this schematic fit – the object mostly corresponds to the elements of a schema, but lacks explicit external referents. Grayson and Martinec (2004) provide a fascinating account of these differences by assessing visitor’s perceptions of objects from two museums – The Sherlock Holmes Museum in London, and the Shakespeare Museum in Stratford. They show that although Holmes is a fictional character, the building and objects in the Holmes museum were perceived as indexically authentic because they belong to the period depicted in the Holmes stories.

When we apply authenticity concepts to conceptual objects such as a strategy (Liedtka, 2008), a brand extension (Spiggle, Nguyen and Caravella, 2012) or a social
responsibility initiative (Beckman, Colwell and Cunningham, 2009; Ewing Allen and Ewing, 2012; McShane and Cunningham, 2012) it is no longer possible to use spatiotemporal connections to assess authenticity. Instead we need to assess whether a particular action or offering is perceived as being consistent with or authentic to the existing strategy or brand or institutional logic. Since this is a problem of perception, we need to specify who is making the judgment, and which actions are indexically or iconically authentic to them. Stakeholder theory again provides a similar means for distinguishing between types of observers and recognizing which institutional logics each type adheres to. By examining the literature we can come to a better understanding of what it means for a concept to be authentic to an institutional logic.

Bingham and his co-authors (2011) propose that the nature of ownership matters and that family owned firms have a different relation to social responsibility than publicly owned corporations. Family owners are not the anonymous shareholders of the market logic, or the self-interested managers of the corporate logic. If family owned firms legitimize the roles motives and behaviors of the family logic, in which care for the collective takes precedence over profit, and altruism is more valued, then we would expect a different approach to CSR than in organizations that espouse the corporate logic of hierarchy, power and self-serving. It is also more likely that family firm CSR initiatives will tend to support, and be viewed as authentic by, family oriented stakeholders.

McShane and Cunningham (2012) address the question of whether CSR actions are perceived as authentic by employees. They propose that “An object will be deemed authentic when the perceived characteristics align closely with those of the established template.” They argue that ‘established templates’ are socially constructed, but this is as close as they come to the question of an institutional logic. They find that “employees’ authenticity judgments… are informed by the extent to which the organization’s image, as presented by the CSR
program, is a reflection of its true identity (p 96).” When image and identity match, the program is indexically authentic. An emphasis on fit with ‘true identity’ suggests that employees value indexical authenticity, and that less truthful identities might exist, making iconic authenticity possible. They also find that employees base assessments of authenticity on whether the organization’s CSR practice is established or in the process of development. This suggests that iconic authenticity may suffice to win support from employees when the relationship of CSR to the corporate logic has not been resolved within the organization.

Westermann-Behaylo, Berman and Van Buren (2013), in contrast, examine the effects of institutional logics on corporate responsibility initiatives aimed at employees. These authors, like Waddock (2008) and Kramer and Porter (2006), emphasize initiatives that support business strategy by making stakeholders into better partners who are committed to the success of the corporation. The CR/CSR distinction reveals a concern with indexical authenticity within the corporate logic (initiatives that support the corporate mission directly) and iconic authenticity (initiatives that are consistent with the mission but not directly supportive of it). This idea that iconically authentic CSR initiatives are deviations from the corporate mission in the eyes of some stakeholders is a central critique of CSR as a whole.

Liedtka, (2008) examines the authenticity of strategic decisions, but a similar logic is present. Strategic commitments that are internally and externally consistent with a firm’s culture and identity, in the eyes of managers and employees, can be regarded as indexically authentic. Commitments that support an organization’s image, but not its identity may be no more than iconically authentic, and may actually be viewed as inauthentic if they violate the norms, motives and structures of the governing institutional logic. Such commitments are ‘for show’ (Jones, 1999; McShane and Cunningham, 2012) and while they might be received as authentic by external stakeholders, are likely to be challenged by internal stakeholders.
External stakeholders also assess the authenticity of CSR actions. Governments, NGOs, community groups, suppliers and consumer groups can regard CSR work as inauthentic window dressing. Perez-Batres and his co-authors (2012) discuss the conditions that lead firms to engage in symbolic or substantive CSR initiatives. They differentiate between positive and negative pressure from stakeholders, but more importantly for this paper, they recognize that stakeholders respond more strongly to substantive (i.e. indexically authentic) initiatives that involve hard to reverse commitments than to symbolic iconic ones, where commitments are weaker. Classen and Roloff (2012) examine the relationship between DeBeers’ CSR activities in Namibia and Namibian perceptions of the legitimacy of the firm as an actor in the Namibian context. In this case the legitimacy of CSR initiatives is driven both by stakeholder recognition that some gestures are merely symbolic, and that others are inconsistent with the underlying institutional logics (i.e., the company claimed that bringing the government into a joint venture was socially responsible when it had no choice, and government’s actions in regulating the joint venture were compromised by its ownership stake). This resonates with the study by Crilly, Zollo and Hansen (2012) where they examine effects on legitimacy perceptions of decoupling policy from practice. Decoupling occurs when firms public adopt a policy and then fail to implement it. It has long been recognized that decoupling is a common response to institutional complexity. Faced with incompatible prescriptions, firms adopt policy to nominally satisfy one demand while failure to implement satisfies the other (Meyer and Rowan, 1977). This proposition is interesting because all of these authors emphasize that external stakeholders are aware when a firm’s actions lack transparency, and that this awareness frequently leads observers to assess firm actions as iconically authentic at best.

Beckman et al. (2009) address the question of authenticity more directly than most. Working from a grounded theory method, they argue that a lack of transparency and
consistency in CSR leads external stakeholders to believe that actions are inauthentic. They also propose that CSR actions have to serve stakeholder interests, communities and needs to be seen as authentic. A multinational corporation cannot apply a global standard – its actions in a community must be adapted to context to be perceived as authentic. In the terms of this paper, CSR actions are more likely to be seen as authentic by an external stakeholder if actions conform to the institutional logic of the stakeholder, and are simultaneously consistent with the other actions of the firm. Only this combination would lead to perceptions of indexical authenticity. When actions only meet one standard or the other – the firm acts to satisfy the stakeholder logic because it is pressured to do so, or acts in ways that are favorable in one context, without doing the same elsewhere, a perception of iconic authenticity is possible. For example, in the first case, a firm might comply with a sustainability standard because it is compelled to rather than because it values the future of its communities; in the second, a firm might support universal primary education in one context and exploit child labor in another. In both cases the actions are laudable and authentic to some degree, but leave the corporation open to a negative response.

Friedman’s (1962) critique of corporate philanthropy is based on the assumption that ideological identity of corporations is as vehicles for the creation of shareholder wealth. He regards the movement toward social responsibility as an agency problem, taking the position that while philanthropy may make a corporation look good, the benefits of philanthropy accrue mostly to managers, even though the resources expended belong to shareholders. If shareholders want to be philanthropic, they can do so in ways that benefit themselves, using returns from the firm. The major flaw in this argument is the assumption that the creation of shareholder wealth is the central idea of the corporate institutional logic. I would tend to see this assumption as integral to a market logic, where ownership and transactions that transfer rights are the key feature. In Friedland and Alford’s terms (1991),
the corporate logic is dominated by the hierarchical division of roles between managers and shareholders and between managers and other employees. The idea of exchange plays little role in the corporate logic, and ownership only a nominal one. While managers at the top of the hierarchy are the face of corporations, shareholders and employees are anonymous and replaceable. As scholars of agency theory have long pointed out, when shareholders can respond to managers’ failure to create wealth by selling shares (a market action) the problems and institutions of corporate governance are likely to be resolved in favor of managers. Shareholders are the legal owners of corporations, but ownership paradoxically belongs to the market logic. Shareholders’ perceptions of corporate philanthropy as inauthentic result from the contest between logics.

At this point, it is useful to recapitulate. Some CSR initiatives are regarded as inauthentic by internal and external stakeholders, while others are viewed as indexically or iconically authentic. I propose that this phenomenon occurs because the corporate logic is only one of several institutional logics operating in any organizational field. The degree of institutional pluralism and organizational field structure combine to determine the level of institutional complexity that organizations engaged in CSR initiatives face. Institutional complexity increases as organizations become subject to a wider variety of incompatible prescriptions from multiple institutional logics. Field structure reflects the maturity of a field as well as the diversity of logics operating in it. Fields can be fragmented, exposing organizations to conflicting prescriptions and formalized and or centralized. As institutional complexity increases, the risk of an action being regarded as inauthentic by one or more sets of observers is likely to increase.

Before addressing an extended real world example, consider whether the authenticity of CSR programs would be an issue in a hypothetical field where pluralism was minimal (the corporate logic and one other) and the field structure was mature, formalized, centralized and
not fragmented. In this case, institutional complexity would be low; managerial discretion would be minimal; and status order would provide a means for resolving conflicts between incompatible prescriptions. Observers would know which standards to compare each action to and managers would know which actions to take. Authenticity, in this hypothetical case, would not be an issue unless an action fell completely outside of the norms of the two logics that make up the hypothetical field. Since such an action would not be seen as socially responsible even by its originators, we may conclude that the authenticity of CSR actions is primarily an issue when institutional complexity is present. Although most research on institutional logics limits itself to comparing one pair of logics, it seems likely that most real world fields are more complex than that (Greenwood et al., 2011).

This leads me to a definition of authenticity that can be applied to corporate actions in reference to the institutional logics at work in the organizational field. An action is more likely to be perceived as indexically authentic if it is a substantive expression of a core behavior, structure, motive or value of the institutional logic it is being compared to. An action is more likely to be perceived as iconically authentic if its appearance or claims about it are similar to aspects of core behaviors, structures, motives or values of the institutional logic the action is being compared to. I assume that external observers will compare actions to the institutional logics they adhere to when participating in the field in question. Internal and external observers also compare CSR initiatives to the rest of a corporation’s behavior, and base judgments about authenticity on perceived consistency. An action that in isolation might be perceived as indexically authentic may be seen as iconically authentic if it is an isolated instance among contemporary actions by the organization in question or an isolated instance an the stream of actions over time.
The multiple logics of food systems

The organizational field that emerges around the production and consumption of food is institutionally complex (Allen, 2004; Pollan, 2006). It provides an interesting context to illustrate the problems of appropriation of ideas, actions, behaviors and structures between competing logics, and whether different observers perceive these actions to be authentic. As shown in Figure 1, many of Friedland and Alford’s (1991) sectoral logics are enacted in the field that defines contemporary Western food production and distribution systems. As Figure 1 indicates these logics create a fragmented, partly formalized field with a dominant logic and a weakly contested status order.

The industrial food logic is an expression of the sectoral corporate logic, and exhibits many of the characteristics Friedland and Alford (1991) describe for that sector. Given its share of the system and its influence over the other logics (Pollan, 2006), it seems fair to say that the industrial food logic dominates this field, making centralization relatively strong in this field. Major corporations dominate supply chains by maintaining brands, control of intellectual property, by funding research and through regulatory capture (Stigler, 1977) of administrative processes. This dominance, which sees food as a product of corporate processes, is contested by the professional logic of nutrition and food safety, but since much of food science depends on corporate support, challenges to industrial food initiatives are often muted. The economic development logic that emerges from the state sector also challenges the dominance of industrial food logic, but corporate influence in government ensures that economic development actions are mostly aligned with corporate logic. This kind of capture by the corporate logic is not the case with challenges from adherents of the local food logic that embodies attributes of the family and religion sectoral logics. Attempts to be socially responsible by corporations who produce industrial food are frequently derided...
by adherents of the logic of local food. This is possible because the local food logic, with its elements of family and religion logics, is not supported by strong ties to the other logics.

Figure 1 indicates formalization in two ways. The two logics linked by a bracket on the left of the figure are industrial food and mass consumption. These logics share a large number of formalized links. Corporate actors form the supply chain that serves mass market consumers, who view food as a commodity to be consumed. The kinds of products the industrial food system concentrates on facilitate mass consumption. The market logic of mass consumption puts a premium on standardization, detachment from transaction partners, convenience and price. The industrial food system is organized to provide these attributes. Consumers specialize in the jobs they are paid to do and rely on markets for everything else. Foods that are easily prepared and consumed have value, particularly when the price is low. Consumer attitudes toward food that make adherents of the food science logic or the local food logic scratch their heads are perfectly legitimate in the logic of mass consumption. This formalized linkage suggests that there will be few challenges to the authenticity of CSR initiatives from the industrial food system by adherents of the mass consumption logic.

The two logics linked by a bracket on the right of the figure are the professional logic of food science and a state based logic of economic development. These logics are also linked by formal ties and overlap. Much of food related economic development policy in the economies of the West is justified by the logic of scientific expertise. Nutrition, food safety and conservation provide expert justification for regulation and government programs. The professional logic of food science dovetails with a state logic that treats food systems as objects of rational economic development. I would include non-governmental organizations engaged in economic development work as adherents of the economic development logic.

These logics have partial formal ties to industrial and consumer logics. Research on food risks, food values and food engineering are all supported by corporate sponsors. The
The professional logic of food science has supported the idea that sterility is a valid model for food safety, as well as the creation of intellectual property rights that give the corporate logic greater control over food systems. Food regulation has been increasingly influenced by corporate interests, which has permitted the greater externalization of risks by corporate actors. The logic of food science has played a formal role in legitimizing mass market consumer attitudes toward food by validating descriptions of food as a set of components: so many calories, so much fat, a mix of vitamins. These ties make it difficult for some adherents of the food science and economic development logics to attack the initiatives of industrial food corporations.

One issue raised by these partial ties is whether or not field level logics like these are monolithic. One only need to examine the pressure placed on industrial food corporations to re-engineer their products to fight obesity and the spread of diabetes to realize that some adherents of the food science and economic development logics are not beholden to and actively oppose the logic of industrial food. Likewise, when we examine European attitudes toward food in the economic development logic, we find an active resistance in the form of what DeSoucy (2010) calls ‘gastronationalism’ that is embodied in the European Union’s support for traditional local foods and methods, and opposition to over processed or genetically modified food. Because industrial food systems are so closely associated with the American economy, there is also a contest within the American logic of economic development over whose development should be favored, and whether corporate actors should be allow a free hand in externalizing costs. This suggests that where formal ties between logics are partial, we should sometimes expect to see some CSR initiatives perceived as inauthentic, or regarded as merely iconically authentic.

The fragmentation of this organizational field is most clearly shown in Figure 1 by the central divide and the isolation of the logic of local food (Allen, 2004), which I link to the
sectoral logics of family and religion. I make this connection because the logic of local food makes place sacred, and defines identity by place and belief. I do not mean to suggest that this logic shares nothing with the other logics, only that the ties that exist are weak. The logic of local food sees systems that enable local control of production and consumption of food as a more legitimate set of actions and actors than the other logics. This means that markets are defined by place rather than standardization and volume; that expertise in food production and preparation is valued over food science; that the local environment and its resources should be conserved; and that development policy should focus on preserving the unique features of local systems. This logic connects to the European emphasis on local traditional production, but rejects its emphasis on selling into distant markets. It rejects food policy that facilitates mass production of commodity crops and lobbies for policy that supports small farms devoted to specialty crops specific to a region. Adherents to this logic are likely to perceive most industrial food CSR initiatives as inauthentic, even when they claim values central to the local food logic.

Examples

Monsanto and Cargill are involved in a major initiative with the Gates Foundation to combat the epidemic of brown streak virus that has decimated cassava production across East Africa. The involvement of these firms in this project, which has shown considerable promise of technical success, has drawn negative reactions from some food science based observers and from many adherents of the economic development and local food logics. The fact that the project draws on Monsanto’s expertise in genetic modification leads some observers to argue that the project puts yet another important crop at risk of being controlled by this corporation. Cargill’s involvement suggests to other observers that this traditional subsistence crop could be appropriated into the industrial food system, standardized, packaged and commoditized. For these observers this inconsistency renders the project inauthentic even
though the modified seed stock is being given away and the intellectual property would be placed in the public domain. While some economic development actors recognize that this project could prevent enduring famine in the region, the fact that this project’s goals are at odds with both Monsanto’s and Cargill’s prior behavior, means that many more observers see the project as iconically authentic economic development at best. Only observers within the participating corporations and foundations appear to view this initiative as indexically iconic.

Wicki and van der Kaaj (2007) report on similar problems with the perception of sustainability initiatives for Chiquita Brands. Chiquita engaged in a decade long project to improve the sustainability of its operations in tropical regions without making public claims of social responsibility. When it began to make social responsibility claims in its branding, it was attacked by adherents of the economic development and local food logics, who challenged both the truthfulness of the claims and their consistency with the corporation’s other actions. Although certification of the sustainability claims by the Rainforest Alliance deflected some criticism about the veracity of the claim, few observers regarded the claim overall as anything but iconically authentic, since it is inconsistent with past actions.

The problem of authenticity is not merely one of exploitation in less developed countries. For the McDonalds Corporation, actions that support the strategy of competing by appealing to families with small children are indexically authentic to insiders. Happy Meals, low prices and many other family oriented features of the organization’s strategic behavior are central to the corporate culture and identity. The corporation’s best known social initiative, the Ronald McDonald House Charities, is indexically authentic to most observers because it is focused on supporting children and families, and is detached from the corporation’s products. In contrast, the corporation’s menu initiatives designed to promote healthy nutrition (salads, fruit) receive a disproportionate share of the corporation’s promotion efforts but sell poorly and are disparaged by many commentators (Patton, 2013).
Lack of sales suggests that the healthy food initiative is perceived as inauthentic to the corporation’s identity by mass market consumers. It appears that the McDonalds healthy foods initiative is viewed as inauthentic by some insiders (like franchisees), despite the fact that it can be justified as a response to a market trend. While it is true that the idea of eating fresh food is spreading among consumers, it is not consistent with what consumers expect when they buy food from McDonalds. This same initiative is regarded as iconically authentic by adherents of the food science logic who view it as a move toward better nutrition and simultaneously object to it as being too limited and inconsistent with the McDonalds menu.

The category of organic food was originally an integral element of the logic of local food but was alien to the industrial logic. The major grocery chains began to stock more organic products partly as a CSR initiative and partly in response to consumer demand. Organic is now the fastest growing category in industrial food, which suggests that consumers who participate in the industrial food system accept and value the authenticity of industrialized organic products. Mass market consumers accept ‘organic’ as one more indexically authentic attribute that defines the assortment in grocery stores. Adherents of the food science logic challenge this authenticity from two directions. Some challenge industrial organic initiatives on the basis that there is no evidence that organic food is better, while others object that production of organic food on an industrial scale simply exchanges one set of ills (pesticides and herbicides) for another (increased transportation costs, degradation of water supplies in developing countries). This means that for many food science and economic development actors, organic initiatives by industrial food corporations are seen as merely iconically authentic. Industrial organic is viewed as inauthentic by adherents of the local food logic who argue that the basic premise of isolating attributes to build up an assortment for mass consumption is illegitimate.
Discussion and Conclusion

This article tries to show how neo-institutional theory about pluralism and institutional complexity can be used to inform scholarship on corporate social responsibility. Every corporate entity exists in one or more organizational fields defined by sets of organizations, actors, structures and patterns of behavior that, in the aggregate, constitute a recognized area of institutional life. The players in organizational fields do not all adhere to the corporate logic. Instead some adhere to logics derived from a variety of societal sectors and therefore view different behaviors, motives, structures, beliefs and roles as more or less legitimate and appropriate. Because players in organizational fields are exposed to multiple logics, they conflate them, abduct elements from them, create links between them and so on. The result is that organizational fields exhibit a variety of structures. Field structure combined with the level of pluralism that characterizes each field determines the level of institutional complexity an organization faces. Institutional complexity increases as organizations face pressure to conform to a greater number of incompatible prescriptions.

I see in these ideas the basis for a systematic explanation of the fact that some observers of corporate social responsibility initiatives are likely to perceive some kinds of CSR initiatives as inauthentic window dressing. I proposed that acceptance of an initiative is not an all or nothing outcome. Instead, initiatives can be perceived as indexically authentic, iconically authentic or inauthentic. Only indexical authenticity represents uncritical acceptance. Recognizing that iconic authenticity is partial and limited allows us to see how nominal allies can simultaneously be dissatisfied critics. By examining the incompatibility of competing logics, we can gain a better idea of which initiatives will be perceived as which kind of authentic by which observers and why. This is particularly useful for understanding responses to CSR initiatives, which tend to be based on ideas, structures and beliefs that
adherents of the corporate logic appropriate from competing logics: philanthropy, sustainability, community development, nutrition.

How is this better than stakeholder theory? First, the ideas of pluralism, field structure and institutional complexity provide a way to understand how stakeholder groups differ and how they are the same, as well as a way to understand which organizations are under the greatest pressure to behave authentically in their corporate social responsibility initiatives. Second it provides a way to assess both the mix of stakeholder groups in any field and how the structure of the field determines relations between competing logics. In the example of the food systems organizational field, formalized relationships play a major role in maintaining the structure of the field, but also provide indications of where tensions exist between stakeholder groups and how they play out. For example adherents of the local food logic tend to reject not only the logic of local food but also the logic of food science, and to some extent the logic of economic development. There are local food cooperatives that expressly refrain from seeking grants from government agencies or foundations and that also reject many of the notions that food science sees as legitimate. In the latter case, consider the ongoing conflict between local, artisanal food processors (cheese, milk, preserved meats) and food regulators over sterilization and pasteurization (Pollan, 2006). The regulatory agencies face incompatible prescriptions from industrial and local food stakeholders. Can they accommodate all their stakeholders, or is conflict inevitable? Given the strong formal ties between the food science logic and the economic development logic, universal acceptance seems unlikely.

An approach based in neo-institutional theory also provides a way to understand which stakeholders will view which initiatives as indexically authentic, which as iconically authentic and which as inauthentic. Authenticity fits well with the emphasis neo-institutional theory places on legitimacy, normative behavior and coercion, and thus is linked to the
primary motivations that compel organizations to conform to the prescriptions of competing logics and their local expressions in organizational fields. These perceptions will be based on attributions of consistency with the observer’s institutional logic, the organization’s own logic and identity, and with the organizations past and present behavior. These perceptions should lead to variations in response that will be formed by the roles, beliefs, structures and behaviors that characterize the observer’s institutional logic.

The neo-institutional approach can be applied to internal and external stakeholders, to conflicts between organizations and to the dynamics of organization and field level change. It allows us to do interesting things like challenge the notion that the creation of shareholder wealth is central to the corporate institutional logic. While shareholders are the nominal owners of corporations, what they really own is a claim on residual cash flow. Shareholders usually have little to say how that residual flow is created. The corporate hierarchy determines how much residual cash there will be. The logic of markets and the logic of corporations are far from the same, just as the logic of professions and the logic of the state or family differ. Plural logics have co-evolved. They are likely to overlap. Actors in them are likely to adhere to more than one, and also to treat different logics as dominant as they move between organizational fields.
References


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Figure 1: The food system organizational field

[Diagram showing the organizational field with sections for Corporate Sector, Professional Sector, Market Sector, State Sector, Family & Religion Sectors, and Local Food Logic, each with listed characteristics such as hierarchy, expertise, mass consumption logic, and local food logic.]