

“We Can’t Compete on Human Rights”: Creating Market-Protected Spaces to Institutionalize the Emerging Logic of Responsible Management

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Accepted at Academy of Management Journal, 2022
<https://journals.aom.org/doi/10.5465/amj.2020.1614>

Acknowledgements

We gratefully acknowledge valuable research assistance from Adiba Afros, Rachel Alexander, Ulrike Fischer, René Haas and Elise White. We presented earlier versions of this paper at EGOS 2017, AoM 2018, SASE 2019, the American Sociological Association 2020, and the Sustainability Salon in 2020, where we received helpful feedback. We also discussed the paper at research meetings at Freie Universität Berlin, the Johannes Kepler University, the University of Duisburg-Essen, and the Centre for Human Rights Erlangen-Nürnberg. We are particularly grateful for comments received from Robert Bauer, Elisabeth Berger, Claudio Biscaro, Stefan Bohn, Patricia Bromley, Ignas Bruder, Matthias Kipping, Markus Krajewski, Markus Helfen, Leonardo Marques, Carolin Puhl, Eshan Samimi, Joerg Sydow, and Waldemar Kremser. We also want to thank three anonymous reviewers and the handling editor, Jennifer Howard-Grenville, for detailed and constructive comments and excellent guidance. We gratefully acknowledge funding by the Volkswagen Foundation for the project “Changes in the Governance of Garment Global Production Networks: Lead Firm, Supplier, and Institutional Responses to the Rana Plaza Disaster” under the European and Global Challenges Program. All correspondence should be directed to lead author Elke S. Schüßler (elke.schuessler@jku.at). The second and third author have contributed equally.

**“WE CAN’T COMPETE ON HUMAN RIGHTS”:
CREATING MARKET-PROTECTED SPACES TO INSTITUTIONALIZE THE
EMERGING LOGIC OF RESPONSIBLE MANAGEMENT**

ABSTRACT

To what extent are multinational corporations (MNCs) able to address grand social challenges through corporate social responsibility (CSR) in the context of a dominant market logic? Based on an in-depth qualitative study of how apparel MNCs have addressed labor standards violations since the deadly 2013 Rana Plaza factory collapse, we show how CSR managers navigate the tension between the emerging responsible management logic and the highly institutionalized market logic, revealing how some go beyond accommodating responsible management within the market by prioritizing responsible management in market-protected spaces. We theorize the construction of market-protected spaces as a multi-level mechanism for institutionalizing an emerging logic in the context of a field dominated by the market logic via three forms of institutional work: restraining the jurisdiction of the market logic, infusing the responsible management logic with non-market elements, and maintaining market-protected spaces against resistance. A market-protected space is an institutionally bound space that suspends the dominance of the market logic on selected issues based on a binding regulatory infrastructure that allows prioritizing responsible management practices, unlike voluntary CSR. The concept of a market-protected space maps a path for policy makers, managers, and other actors interested in institutionalizing responsible management in the global economy.

“Funnily, the [supply chain regulation] initiatives do not come from the Federal Ministry of Economics, but the Ministry of Development. The National Action Plan [for Human Rights] comes from the Federal Foreign Office, then there’s also the Federal Ministry of Labor and Social Affairs with the Berlin CSR consensus. And the Ministry of Economics, actually our lobby, is not willing to deal with it. This needs to change in the long run, because we need to decide: How is economics supposed to act? Only according to the guidelines of the economy? Or according to the implications of human rights issues?” (CSR Manager of a German retailer, LOW_DE1_CSR1a)

INTRODUCTION

The globalization of world markets has spurred debate about the responsibility of multinational corporations (MNCs) that are, directly or indirectly, implicated in grand challenges such as climate change or labor exploitation (George, Howard-Grenville, Joshi, & Tihanyi, 2016). Scholars have long been preoccupied by the question of how MNCs can be made more responsible (e.g., Campbell, 2007; Howard-Grenville, 2006; Reinecke & Ansari, 2016; Scherer & Palazzo, 2007), particularly in the light of a governance gap in the global economy for which no nation-state government alone is formally responsible (Djelic & Quack, 2018; Schneider & Scherer, 2019). Given the complexity of global supply chains, the question arises whether corporations

themselves can fix the negative social and environmental externalities resulting from an economic system that has propelled these complex structures in the first place. Kim and Davis (2016) speak of corporate accountability in global supply chains as one of the defining grand challenges of our era. De Bakker, Matten, Spence, and Wickert (2020) see an urgent need to address an “elephant in the room” of corporate social responsibility (CSR) research: the systemic constraints exerted by the current economic paradigm that might not be reconcilable with responsible business conduct.

Extant literature has problematized the tension between market pressures and corporate responsibility (e.g., Hahn, Figge, Pinkse, & Preuss, 2018; Slawinski & Bansal, 2015), but we lack an understanding of how MNCs can overcome the systemic constraints of the dominant market paradigm when addressing grand challenges. We apply an institutional logics perspective to address this question, focusing on organizational and field-level actors’ attempts to institutionalize the emerging logic of responsible management valuing economic, social and environmental sustainability, responsibility towards stakeholders, and ethical decision-making (Radoynovska, Ocasio, & Laasch, 2020; Laasch & Conaway, 2015) in the context of a global industry dominated by the market logic valuing profits, growth, and competitiveness (Thornton, 2002). The institutional logics literature has discussed several ways in which conflicting institutional demands are addressed by organizations (Greenwood, Raynard, Kodeih, Micelotta & Lounsbury, 2011; Kraatz & Block, 2008) or how new logics emerge in a field (Ansari, Wijen, & Gray, 2013). A particular focus has been the growing influence of the market logic in different contexts (e.g., Dunn & Jones, 2010; Glynn & Lounsbury, 2005; Thornton, 2001), and on how local community logics can resist marketization (Greenwood, Magán Díaz, Xiao Li, & Céspedes Lorente, 2010; Lee & Lounsbury, 2015; Marquis & Lounsbury, 2007). MNCs, however, are fully embedded in a

globalized economic system dominated by financial markets (Davis & Marquis, 2005), so MNCs' responses to responsible management demands to date have been permeated by the market logic.

Drawing on a large sample of qualitative data collected between 2015 and 2019 in Germany, the UK, and transnationally, we examine the institutional work – efforts of actors trying to influence higher-order institutional systems (Lawrence, Suddaby & Leca, 2009) – of organization and field-level actors aiming to institutionalize the emerging logic of responsible management in the highly competitive, global apparel industry. Apparel MNCs have faced contestation from social movements since the 1990s and some brands have visibly embraced responsible management (e.g., Zadek, 2004). CSR efforts have intensified since the collapse of the Rana Plaza factory building in Dhaka, Bangladesh, in 2013, resulting in an unprecedented global agreement, the Accord for Fire and Building Safety in Bangladesh (Reinecke & Donaghey, 2015). Thus, the global apparel industry is a critical case for understanding the constraints placed on responsible management by the dominant market logic and whether these can be overcome. We, first, identify three approaches by which MNCs address responsible management demands: prioritizing the market logic, accommodating responsible management within the market logic, and prioritizing responsible management in market-protected spaces. The third approach differs from the former two in that it aims to institutionalize the emerging responsible management logic at field level through a binding regulatory infrastructure that restrains the market logic on selected issues. Second, we elaborate on the institutional work needed to prioritize responsible management in a field dominated by the market logic. Firm and field-level actors together need to restrain the jurisdiction of the market logic, infuse the responsible management logic with non-market elements, and maintain market-protected spaces against resistance. This work unfolds through a

multi-level mechanism in which new meanings of responsible management, a binding regulatory infrastructure, and new business practices are developed.

We derive two theoretical contributions. First, we theorize the notion of a market-protected space as a new approach to resolving conflicts between the market logic and the emerging logic of responsible management. Rather than compartmentalizing, blending, or hybridizing logics (e.g., Gümüşay, Smets & Morris, 2020a; Reay & Hinings, 2009; Smets & Jarzabkowski, 2013), a market-protected space sets boundaries to the jurisdiction of the market logic on selected “meta-problems” (Trist, 1983), problems too complex for single organizations to handle, allowing responsible management to be prioritized and infused with non-market elements. This mechanism of carving out a space within a dominant logic in which the hierarchy among logics is reversed, even just temporarily, could be applied to other grand challenges where the market logic conflicts with social and environmental concerns. Second, many studies on CSR have focused on efforts to institutionalize responsible management in the context of the market logic, but have paid less attention to the need to set boundaries to the market with the help of market-restraining actors. Our conceptualization of the multi-level mechanism by which market-protected spaces are constructed and develop institutional effects indicates a route of enacting systems change in a globalized economy (Bansal & Song, 2017; Ergene, Banerjee & Hoffman, 2020; Fleming & Jones, 2013) that prevents the curtailment of CSR efforts at firm level (Augustine, 2021; Wright & Nyberg, 2017) and strengthens collaborative partnerships (e.g., Gray & Purdy, 2018; Selsky & Parker, 2005) in transforming the core operations of an industry.

In sum, thinking about the institutionalization of the emerging responsible management logic in terms of restraining the market logic helps us to address the systemic constraints of the dominant economic paradigm and paves the way for further research at the interface of grand challenges,

institutional, and CSR scholarship. It informs policy and practice in pointing to transnational policy innovation that focuses on developing binding regulatory infrastructures between MNCs and market-restraining actors such as global union federations, lawyers, or regulators.

THEORETICAL FRAMEWORK

Corporate Responsibility in Competitive Markets: Tension or Win-Win?

Firms, especially MNCs orchestrating global supply chains, have faced pressure to become more responsible at least since the late 1990s. CSR as “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (European Commission, 2001) has subsequently become widely adopted by research and practice. Originally shaped to accompany the dismantling of the US labor movement and weak corporatist regulation (Marens, 2012), the concept of CSR has also gained a strong foothold in Europe where corporations and business associations successfully lobbied for a voluntary approach to addressing social and environmental concerns (Kinderman, 2012; 2013). From a normative perspective, Scherer and Palazzo (2007) argue that in a global economy corporations have become political actors or even corporate citizens (Matten & Crane, 2005), called upon to participate in setting rules for their own conduct, thus challenging the strict division of labor between the private (maximizing profit) and public (addressing public concerns) domain (Friedman, 1970). This “political CSR”-perspective sees CSR as a regulative force in an otherwise largely unconstrained market environment, with corporations becoming politicized over time by engaging with stakeholders (Schoeneborn, Morsing, & Crane, 2020; Scherer & Palazzo, 2011).

An alternative “business case for CSR”-perspective has a similarly optimistic outlook, but based on economic rather than political-normative reasoning. Most prominently, Porter’s and Kramer’s (2006) idea of shared value emphasizes that the presumed trade-off between competitiveness and social progress is rooted in an unnecessarily narrow focus on short-term

financial performance, when instead economic and social value creation can be connected. Critics of the business case perspective argue that it overlooks the real and substantive trade-offs between various stakeholder interests (Hahn, Figge, Pinkse, & Preuss, 2010; Kaplan, 2020). Corporations may invest in less complex issues to buffer themselves from reputational damage, but fail to address bigger social and environmental problems, especially those in global supply chains (Crane, Palazzo, Spence, & Matten, 2014). Similarly, Barnett (2019) emphasizes that the link between responsibility and financial performance is far less clear when it comes to protecting weakly represented stakeholders, such as workers at the end of global supply chains.

MNCs across a variety of sectors have built a complex voluntary CSR infrastructure which comprises codes of conduct, standards, principles, certification schemes, monitoring and reporting systems, consulting organizations and business associations, as well as cross-sectoral multi-stakeholder initiatives (MSIs) (Waddock, 2008). From an optimistic viewpoint, the existence of these initiatives holds corporations accountable and provides inroads for activist pressure (e.g., McDonnell, King, & Soule, 2015), putting corporations on a path towards responsabilization (Reinecke & Ansari, 2016). This path involves a shift away from ineffective private social auditing schemes (Locke, 2013) to MSIs as a means of addressing complex problems (Emery & Trist, 1965; Gray, 1985; 1989). However, even the cooperation paradigm is criticized for failing to address the systemic inequalities characterizing global supply chains (Khan, Munir & Willmott, 2007; Levy, 2008). Corporations outsource commitments and their monitoring and enforcement to MSIs (LeBaron, Edwards, Hunt, et al., 2021), resulting in a “market for standards” (Reinecke, Manning, & Von Hagen, 2012) in which partnerships compete rather than addressing systemic problems (Bitzer, Franken, & Glasbergen, 2008), undergirding market-based government policies (Glasbergen, Biermann, & Mol, 2007; LeBaron, 2020). Furthermore, voluntary CSR is typically

curtailed at the subcontracting stage (Benham & MacLean, 2011; Soundararajan & Brown, 2016) and MSIs are unable to ‘level the playing field’ for smaller producers upstream the supply chain (Maryudi, Acheampong, Rutt, Myers, & Dermott, 2020).

The “paradox perspective” on CSR accepts the fundamental tension between economic, social and environmental goals (e.g., Hahn et al., 2018) and suggests that acknowledging tensions is a starting point for advancing sustainability agendas (Van der Byl & Slawinski, 2015). Since easy win-win solutions for the systemic social and environmental problems accompanying global supply chains are unlikely, this tension deserves renewed attention in the wider debate about CSR in MNCs. An institutional theory perspective is suitable in this regard, as it provides a large conceptual reservoir to unpack the multiple, often conflicting logics that MNCs are exposed to as well as the different forms of agency used to address these conflicts and tensions (Gümüşay, Claus, & Amis, 2020b). While the concept of voluntary CSR has been infused with the market logic, Radoynovska et al. (2020) indicate that a new logic of responsible management might be emerging that goes beyond CSR in emphasizing sustainability, responsibility for stakeholders, and ethical principles as a central part of all management practice (Laasch, 2018). This emerging logic combines elements from multiple already institutionalized logics such as the market, the corporation, the professions, and the community. Operating in a context of institutional pluralism (Kraatz & Block, 2008), it is not yet institutionalized and “still requires effortful justification and mobilization in the face of business and politics ‘as usual’” (p. 4).

Institutionalizing Responsible Management in a Competitive Market Environment

New logics become institutionalized when new organizational practices manifest and become taken for granted as appropriate for all organizations within a field (Hinings, Greenwood, Reay, & Suddaby, 2004; Zilber, 2013). Institutionalization thus requires patterns of activity as well as higher-order rules, norms and symbolic systems that infuse that activity with meaning on a field

or societal level (Friedland & Alford, 1991; Thornton et al., 2012). Actions at multiple levels ranging from individual institutional entrepreneurs to organization, field and societal-level dynamics interact recursively and enable logics to diffuse (Purdy & Gray, 2009). In global supply chains, the market logic can be considered dominant, because the main activity of MNCs revolves around the organization of economic exchanges, buffered by institutions such as trade agreements and oriented towards norms like self-interest and self-responsibility (Thornton et al., 2012). Several studies have shown that the influence of dominant market-oriented logics can be mediated by representatives of alternative logics such as trade unions, churches or green parties (Yan, Ferraro, & Almandoz, 2019) and vary in force across countries and regions (Greenwood et al., 2010; Lee & Lounsbury, 2015; Marquis & Lounsbury, 2007). However, the establishment of global supply chains allowed MNCs to escape regional or national institutional constraints, thus strengthening the market logic's dominance (Lane, 2008).

At firm level, CSR managers are central professionals responsible for negotiating the meaning of the emerging responsible management logic and developing new responsible management practices (Girschik, 2020). Yet, as employees of MNCs, they are also firmly embedded in the market logic. Several studies highlight their difficulties in institutionalizing responsible management in organizations vis-à-vis market pressures. Pinkse, Hahn, and Figge (2019) show that food companies combine different discursive tactics to construct or deconstruct the tension between their core business and social demands on organizational and industry levels, enabling them to preserve autonomy over their core business. A related strategy is decoupling the 'talk' about CSR from the 'walk' (e.g., Haack, Schoeneborn, & Wickert, 2012). Facing pushback from colleagues who consider them a threat to profitability, CSR managers conceal their external mandate to address social problems (Augustine, 2021), temper their aspirations (Wickert & de

Bakker, 2018), and adopt instrumental frames (Howard-Grenville, Nelson, Earle, Haack & Young, 2017). As a result, responsible management aspirations often become diluted over time to align with the dominant aim of maximizing shareholder value (Wright & Nyberg, 2017). Generally, professionals play an important role in navigating conflicts among institutional logics depending on their centrality and compatibility (Besharov & Smith, 2014). Structural separation or compartmentalization is a common approach when one logic is more central than another, though it can lead to persistent rivalry (e.g., Reay & Hinings, 2009), whereas blending or hybridizing of logics rests on some degree of compatibility among logics (e.g., Battilana & Dorado, 2010; Pache & Santos, 2010). When logics are both central and seemingly incompatible, professionals play an important role in developing synthetic practices (Smets, Morris, & Greenwood, 2012) and keeping logics in a dynamic tension with each other (Smets, Jarzabkowski, Burke, & Spee, 2015), possibly leading to elastic hybridity on an organizational level where conflicting logics flexibly give and make space for each other (Gümüşay et al., 2020a).

While the centrality and compatibility of different logics can be negotiated to some extent at firm level, the institutionalization of a new logic also involves field-level struggles, since the institutionalization of a new logic – such as responsible management – inevitably involves pushing back pre-existing institutional forms (Holm, 1995), resulting in manifold resistance (Rao, Morrill & Zald, 2000). Hoffman (1999) shows that triggering events such as the Bhopal disaster are needed to change field-level understandings and regulations of industry practices regarding environmental issues, but leaves open how these changes translate into new industry practices. Ansari et al. (2013) analyze how the emergence of a hybrid, transnational commons logic in response to climate change depended on heterogeneous key actors viewing their fates as being interconnected with respect to a problem issue, perceiving their own behavior as contributing to the problem, and being ready to

take collective action to address the problem. Yet, they argue that such consensus is fragile and may not translate into sustainable norms and practices. Fan and Zietsma (2017) study the emergence of a shared governance logic in a local water protection initiative, emphasizing cycles of logic construction driven by positive emotions, which nevertheless faced pushback from macrolevel structures. These studies indicate the difficulty of institutionalizing – in terms of changes in meanings as well as in structures and practices (Zilber, 2013) – and stabilizing alternative logics in the context of a dominant one.

When applying these insights to the question of how the emerging responsible management logic can be institutionalized in the context of a field dominated by the market logic, two challenges emerge: negotiating the meaning of the responsible management logic as compatible or incompatible with market demands, and developing and stabilizing responsible management practices that go beyond the market-infused ‘business as usual.’ These challenges need to be addressed at both firm and field levels and are likely to involve contestations among CSR professionals, other managers, and a wide range of field-level actors that are commonly involved in global production networks such as state actors, trade unions or civil society (e.g., Levy, 2008). Based on these theoretical considerations we specify our research question as follows: *how can the emerging logic of responsible management be institutionalized in a field dominated by the market logic? Specifically, what is the role of firm and field-level actors in negotiating the meaning of responsible management and developing new responsible management practices in a market-dominated global industry?*

DATA AND METHODOLOGY

Field Context

Global apparel production is one of the most labor-intensive industries in the world and a critical case for understanding the possibilities and limitations of responsible management in an

environment dominated by the market logic. On the one hand, apparel brands and retailers are under intense global competition for prices incentivized by trade regulation while simultaneously facing pressure for short lead times and high flexibility. Even leading apparel brands struggle with low profit margins.¹ On the other hand, international norms such as those provided by the International Labour Organization (ILO) Core Labor Standards (1998), the United Nations Guiding Principles (UNGPs) on Business and Human Rights (2011) and the OECD Guidelines for Multinational Enterprises (2011) containing a new chapter on human rights (Rasche & Waddock, 2021) demand better working conditions in apparel supply chains. MNCs tend to pass these conflicting demands between competitiveness and responsibility to suppliers by requiring compliance with labor standards while simultaneously exerting pressure on purchasing prices and lead times (e.g., Amengual, Distelhorst, & Tobin, 2020). Even core labor standards are frequently violated; sub-standard wages, infringements on freedom of association, gender-based violence, discrimination, and unsafe working conditions are common (e.g., Anner, 2017).

The collapse of the Rana Plaza building in Bangladesh in 2013 which killed 1,134 workers and injured over 2,500 has heightened societal demands for responsible management, particularly regarding labor standards. As such, it catalyzed a variety of regulatory responses at national, transnational and firm levels and in different countries (see Table A1 in Appendix A). The most important transnational response was the Bangladesh Accord on Fire and Building Safety (Accord), a binding five-year agreement signed in 2013 (later extended until 2021) by over 200 mostly European MNCs and two global union federations, IndustriALL and UNI, to improve fire and building safety in the Bangladesh apparel sector with an independent and transparent inspection system funded by brand signatories. The Accord has been described as a “unique

¹ For instance, the net profit margin of the US apparel industry in 2019 was 4.5 percent (http://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/margin.html, accessed June 2022).

experiment in co-governed private regulation that includes global union federations in addition to foreign brands” (Bair, Anner, & Blasi, 2020, p. 3). Eschewing binding regulation, many US firms joined the unilateral Alliance for Worker Safety (Alliance) (Donaghey & Reinecke, 2018). Inspired by the example of the Accord, some firms formed the Action, Collaboration, Transformation (ACT) initiative with IndustriALL (Ashwin, Oka, Schuessler, Alexander, & Lohmeyer, 2020). This agreement aims to ensure living wages through industry-wide collective bargaining in producer countries and a commitment from buyers to continue sourcing from these countries.

Various national governments also responded. The United States government, for example, suspended Bangladesh’s trade privileges under GSP in June 2013 (Knudsen & Moon, 2017). Under international pressure, the Bangladesh government amended its Labor Act (2013) to improve freedom of association, allow for elected worker participation committees, and raise the minimum wage. It also implemented a National Tripartite Action Plan with ILO supervision on fire and building safety.

Research Design

Our data stem from a large research project analyzing the impact of the Rana Plaza disaster on 79 leading apparel industry MNCs in four different countries, on factories and workers in Bangladesh, and on national and transnational policy levels (for a summary, see Schuessler et al., 2019a). Our analysis is based on a subset of these data comprising a sample of 20 apparel retailers and brands from Germany and the UK containing the typical mix of firm types found on high streets, including fast fashion retailers, branded retailers, department stores and also supermarkets, which are major players in apparel retailing markets (see Table 1 for an overview).

Table 1: Lead Firm Sample

Lead firm	Firm type	Price range	Turnover Mio. €	Employees	Home retail stores	Foreign retail stores
SUP UK3	Supermarket	Low/mid	73.454	>480.000	3.743	6.902
SUP DE3	Supermarket	Midrange	43.510	>300.000	10.178	0
SUP UK1	Supermarket	Midrange	29.333	> 160.000	400	0
SPORT DE6	Sports/ outdoor	Midrange	16.920	>50.000	-	2.811
SUP DE12	Supermarket	Low/mid	14.960	>80.000	640	575
MID UK2	Apparel retailer	Midrange	5.516	>30.000	540	194
LOW UK7	Apparel retailer	Low	3.420	>33.000	171	144
SPORT UK5	Sports/ outdoor	Midrange	3.285	>20.000	0	0
DEP UK4	Dept. store	Midrange	2.758	> 27.000	176	67
MID DE7	Apparel retailer	Midrange	2.064	>9.000	146	136
LOW DE1	Apparel retailer	Low	1.820	>20.000	2.600	3.500
MID DE14	Apparel retailer	Midrange	1.650	>7.000	-	359*
DEP DE18	Dept. store	Low/mid	1.340	>16.000	64	27
LOWMID_D E2	Apparel retailer	Low/mid	1.080	>10.000	1.800	0
MID DE11	Apparel retailer	Midrange	900	>7.000	-	850*
MID UK17	Apparel retailer	Midrange	292	>2.800	214	0
LOWMID_D E8	Apparel retailer	Low/mid	268	>4.000	210	360
LOWMID_U K13	Apparel retailer	Low/mid	242	2.000	312	0
LOWMID_U K9	Apparel retailer	Low/mid	216	3.900	260	25
MID_UK19	Apparel retailer	Midrange	185	>1.800	157	22

Note: Responsibility-prioritizing firms are marked in dark grey, responsibility-accommodating firms are marked in light grey, market-prioritizing firms are left white, * worldwide, including Germany.

Our sample of firms can be seen as representing the larger population of leading Western ready-made apparel retailers and brands that source heavily from countries like Bangladesh, facing pressure to make their business operations more sustainable. Our additional field-level data allowed for a multi-level design that involves different actors (Gray & Purdy, 2018). We also consider processual dynamics to the extent that our data collection period permits, particularly regarding cross-level interactions and contestation around new meanings and practices.

In a pilot study to this project and using different data, Schuessler et al. (2019b) explored Australian and German fashion firms' initial responses to the 2013 Rana Plaza building collapse, explaining response variation by stakeholder pressure in both countries drawing on the focusing events framework (Birkland, 1998). There are several publications from the project focusing on

institutional changes and labor outcomes (Frenkel & Schuessler, 2021; Lohmeyer, Schuessler, & Kabeer, 2022; Kabeer, Huq, & Sulaiman, 2021), but only two use the qualitative data in depth (Ashwin et al. 2020; Oka, Egels-Zandén, Alexander 2020). To examine the process leading to the emergence of the ACT initiative, Ashwin et al. (2020) used interviews from 13 ACT founding firms, 6 of which are included in this paper, as well as a sub-set of the field data collected at the time of analysis (24 stakeholder interviews, 17 informal talks, 52 industry events). Interviews with 32 firms from these countries that are not members of ACT, 14 of which are included in this paper, are used as background data. They identify spillover effects resulting from previous engagement in transnational industrial relations agreements as a new mechanism for the emergence of union-inclusive private governance initiatives. Oka, Egels-Zandén, Alexander (2020) looked at a wider sample of 64 German, Swedish, and UK-based firms, including the firms examined in this paper, and a sub-set of the field data to classify, on a general level, auditing, capacity building, and advocacy as common approaches of buyer engagement with suppliers in global supply chains, and discuss the implications for buyer power and responsibility. The key distinction between this paper and previous work of our project group not only lies in the quantity of the data used, but also in the depth with which these are analyzed. Particularly, differences in firms' labor governance approaches were implied by previous studies, but neither deeply investigated nor examined from the perspective of institutional logics. Here we begin with a forensic examination of different meanings given to firms' responsibilities, the management practices used, as well as the contestations around changing core business practices in the light of rising demands for responsibility. This qualitative analysis enables us to distil a new approach to responsible management based on the construction of market-protected spaces.

Data Collection

We conducted at least two semi-structured interviews per firm, one with a CSR manager and one with a purchasing manager, between March 2016 and August 2018. Whereas CSR managers informed us about CSR policies and practices as well as their agency in dealing with conflicting logics, purchasing managers could give us detailed information about purchasing practices and the ways in which firms prioritized responsibility in practice. They also gave us a clearer view of CSR managers' leverage over purchasing practices and influence on strategic issues. Where we felt this was necessary, e.g., due to varying length and level of detail of interviews, or to get the perspective of further CSR or purchasing managers or, where we had the chance, top executives, we conducted additional interviews between 2018 and 2019. This was the case in 13 firms. Our interview protocol comprised questions about CSR and purchasing policies and practices as well as the relationships between different departments and top management. To capture temporal dynamics, we asked about pre and post Rana Plaza differences and developments. Interviews were conducted in person or via phone, audio-recorded and fully transcribed. Interviews conducted in German were translated into English. To triangulate interview data and get an in-depth understanding of the firms included in our sample, we collected documentary evidence, including corporate reports, sustainability reports, supplier codes of conduct, responsible purchasing policies as well as studies from NGOs and news coverage on the firms included in our sample.

To capture field-level developments, we participated in 63 industry events organized by different stakeholders – mostly NGOs, unions or government agencies – between 2016 and 2019 and took detailed notes of the speeches and panel discussions, in which representatives of the firms in our sample often participated. In addition, we draw on 40 formal interviews and 33 informal discussions with stakeholder representatives from government agencies, international organizations, NGOs, unions, and other relevant informants on national and transnational levels

collected in the same time period. Lastly, and specifically for the purpose of this paper, we systematically collected newsletters of two leading national level initiatives, the Ethical Trading Initiative (ETI) in the UK as the central British supply chain labor governance institution, founded in 1998, and the Textile Partnership in Germany, an MSI created by the Ministry of Economic Development in 2014 to improve working conditions in apparel supply chains, to capture relevant field level developments in both countries (see Table 2 for an overview of the data). Finally, throughout the data collection and analysis process, we presented our findings at stakeholder meetings in Berlin, Geneva, Oslo, and Dhaka as well as to ILO Better Work and companies, unions, NGOs, and the Bangladesh industry. These workshops helped us to test the relevance of our initial findings and refine our theorizing.

Table 2: Database

Type	Specification	DE	UK	overall	
Firm level data					
Firm level interviews (2016-2018)	Interviews with CSR managers	10	10	20 (782 pages)	
	Interviews with purchasing managers	10	10	20 (405 pages)	
	Follow-up interviews	8	5	13 (69 pages)	
Firm level communication	Corporate reports, sustainability reports, supplier codes of conduct, responsible purchasing policies, human rights policies, sustainability reports, progress reports, modern slavery statements	42	41	83	
	Content of corporate websites, press releases				
Field level data		DE	UK	Global	overall
Field level interviews (2015-2019)	Stakeholder interviews (trade unions, NGOs, industry experts, investors, legal experts, government representatives, importers)	24	10	6	40 (743 pages)
	Informal talks	20	7	6	33
Field level events	Industry roundtables, workshops and conferences, firm events, parliament debates, auditor conferences, industry initiative events and stakeholder meetings	63 (430 pages of notes)			
Field level communication	UK: Newsletters Ethical Trading Initiative (ETI) Germany: Newsletters Textile Partnership	36	194	230 (210 pages of text)	

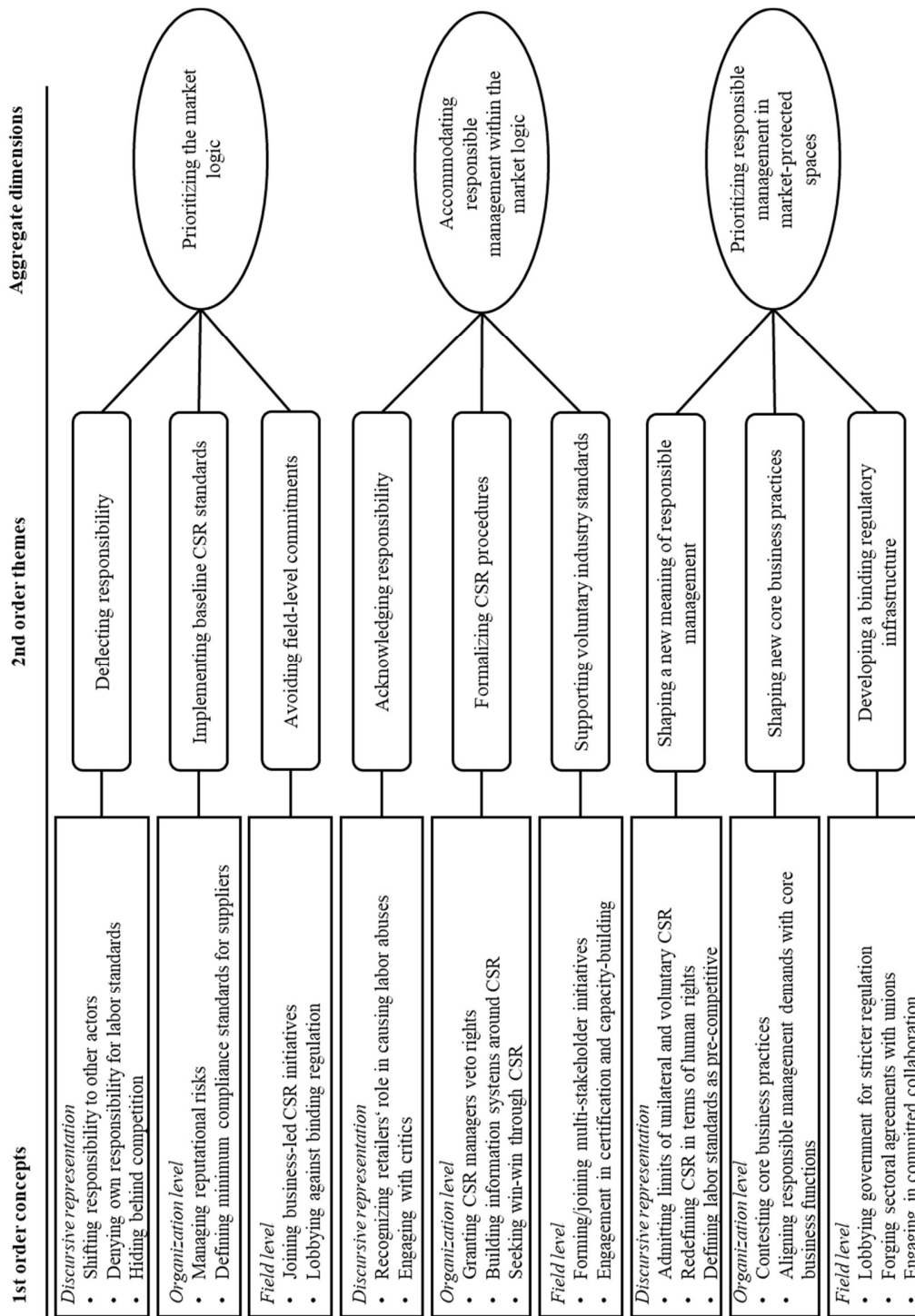
Data Analysis

Our analytical strategy followed an inductive approach in which we moved iteratively between the data, emerging themes and different streams of academic literature to explain our observations (Locke, 2001; Gioia, Corley, & Hamilton, 2013). We proceeded in different steps. The first step of data analysis involved a close reading of the collected field-level material. Through this process we developed a timeline of key events increasing the pressure for responsibility imposed on all firms in the industry (see Table A1 in Appendix A). We continued our analysis with a systematic analysis of firms' CSR and purchasing policies and practices, drawing on interviews with CSR and purchasing managers, firm documents, and field events data. After an initial mapping of key differences in firms' policies and practices we applied an inductive coding process (Strauss & Corbin, 1998) in which we searched for emerging themes and then patterns and relationships between those themes, moving through several rounds of coding using the data analysis software NVivo as well as coding in tables. An important initial insight was that many firms in our sample had developed elaborate CSR policies and practices, but some CSR managers openly questioned whether these means helped to achieve the end of responsible management. This analysis prompted us to understand these differences in terms of different meanings given to responsible management logic in relation to the market logic, and to focus on the role of firm and field-level actors in shaping these logics. At firm level, while most firms focused on expanding the role of CSR policies and practices in their operations, some followed a reversed strategy of problematizing market pressures as a constraint on responsible management. From this comparison we derived the idea that institutionalizing the emerging logic of responsible management in a global industry requires protection from market demands.

Based on this initial understanding, we then systematically coded our firm-level data – interviews with CSR and purchasing managers and CSR-related firm documents – using actors'

own terms as *in vivo* codes, with these codes focused on how actors described the aims of their efforts to incorporate responsible management into their operations, to whom they attributed responsibility for labor standards, and where they saw the locus of intervention. Analyzing these codes repeatedly, we grouped similar codes into 1st order concepts. Discussing these 1st order concepts, more abstract themes emerged that allowed us to identify 2nd order themes, describing how firms discursively represented the market and the responsible management logic as well as what activities they engaged in at firm and field levels. These 2nd order themes could then be grouped into three aggregate dimensions, representing dominant approaches to navigating conflicts between the market and the emerging responsible management logic: *prioritizing the market logic*, *accommodating responsible management within the market logic*, and *prioritizing responsible management in market-protected spaces* (see Figure 1 for the data structure and Appendix A, Table A2, for illustrating quotes).

Figure 1: Data Structure



Only the third approach can be seen as an attempt to institutionalize the emerging logic of responsible management as separate from the market logic. Once we had identified the construction of market-protected spaces as the “core phenomenon” of our analysis (Strauss & Corbin, 1998), we focused on developing a grounded understanding of how this phenomenon came about (conditions and actors), and how it produced institutional effects (core mechanism and consequences) (see Appendix A, Table A3, for illustrating quotes). For this purpose, we zoomed into our data from responsibility-prioritizing firms and added our entire set of field-level data. We began relating our second-order codes to each other and, in line with our research questions, focused on understanding the institutional work of firm and field-level actors when trying to prioritize responsible management in market-protected spaces. We focused our coding on those text passages where these actors reflected on organization and field-level dynamics that had helped them in going beyond voluntary CSR, identifying *focusing events and contestation* as well as a deepening *shadow of the law* as key enablers for both progressive CSR managers on a firm level and for market-restraining actors on a field level. Connecting these insights with the dimensions of institutional logics outlined by the literature (Thornton & Ocasio, 2008; Thornton et al., 2012), we realized that firm and field-level actors together engaged in three kinds of institutional work to prioritize responsible management in market-protected spaces: *restraining the jurisdiction of the market logic*, a disruptive form of institutional work, *infusing the responsible management logic with non-market elements*, a form of institution creating, and *maintaining market-protected spaces* in the face of resistance and pushback from the dominant market logic.

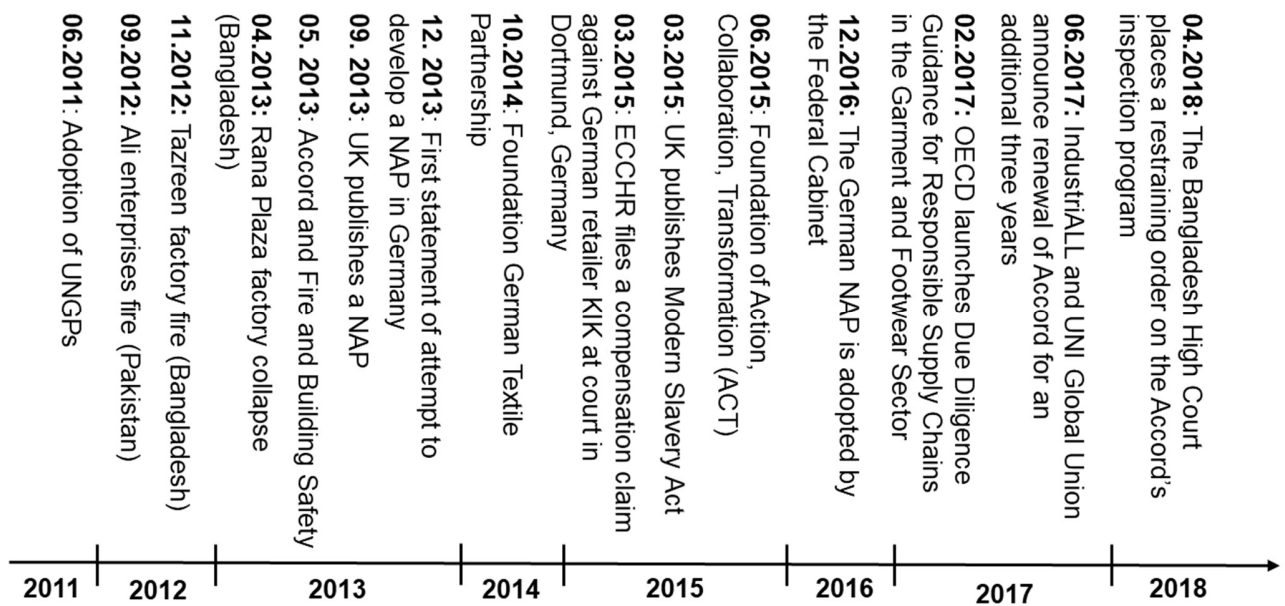
FINDINGS

Our findings section is organized in two parts. In the first part we present different MNC responses to addressing heightened demands for responsible management in the light of the Rana Plaza disaster. While two approaches pursued by the majority of firms accept the dominance of the

market logic and focus on voluntary CSR, a third approach pursued by a small number of firms seeks to limit the jurisdiction of the market logic in relation to labor standards, thereby providing the basis for prioritizing responsible management on selected issues. In the second part we analyze the conditions as well as the firm and field-level agency required for creating such – as we call them – market-protected spaces. In our field context, two initiatives are prime examples of such market-protected spaces: the Accord and ACT (introduced above).

Figure 2 provides an overview of key events preceding and following the Rana Plaza disaster that are frequently referred to in our data, including regulatory events such as the drafting of these two agreements. While the Accord and ACT were private regulatory initiatives developed by MNCs and civil society actors, Rana Plaza also added impetus to state efforts to encode into national law parts of the UNGPs adopted in 2011. The UNGPs quickly made a significant institutional footprint influencing, for example, the OECD Guidance for Multinational Enterprises and new standards of the International Finance Corporation of the World Bank. National governments began to codify aspects of the UNGPs into national law in a wave of legislation including the UK Modern Slavery Act (2015) and the German Supply Chain Due Diligence Law (issued in 2021 and coming into effect in 2023) following the development of National Action Plans (NAPs) to implement the UNGPs (Krajewski, Tonstad & Wohltmann, 2021). As a direct response to Rana Plaza, the German Ministry of Economic Development created the Partnership for Sustainable Textiles in 2014 (Grimm, 2020). Firms' responses to demands for responsible managements have to be understood in the context of these developments.

Figure 2: Key Events in the Development of the Field



Three Approaches by which MNCs Address Responsible Management Demands

Three approaches by which MNCs in the apparel industry addressed demands for responsible management in a field dominated by the market logic were apparent from our data: prioritizing the market logic, accommodating responsible management within the market logic, and prioritizing responsible management in market-protected spaces.

Prioritizing the market logic. This approach involves firm representatives discursively *deflecting responsibility* by shifting responsibility for labor standards in supply chains to other actors such as governments or supplier factory management. Reflecting on responsibility for the Rana Plaza factory collapse, one CSR manager argued: “Before anyone else, the responsibility lies with the country Bangladesh and the respective institutions that completely failed, over and over, on different levels.” (DEP_DE18_CSR1a) Others denied their firms’ responsibility for labor standards more explicitly:

[...] the NGOs exert a lot of pressure and only ascribe this whole delay of CAPs [corrective action plans] to the fact that the poor factories aren’t able to afford it. And Mrs. [head of area] already said: There is an incredible amount of very rich factory owners in Bangladesh, who partly have ten

limousines and their own helicopter landing site on the roof. So, you also have to see that it's not always the poor factory owners and the rich Western companies but that the factory owners do have a choice. (MID_DE14_CSR1a)

CSR and purchasing managers of these firms often pointed to competitive pressures to justify their limited CSR engagement, hiding behind competition. A frequently invoked narrative was the apparel industry shifting sourcing locations if standards and, hence, prices rose in a country: “firms will leave Bangladesh if legally binding transparency across the whole supply chain will come” (E2). Prioritizing the market logic thus implies focusing organization-level CSR activities on *baseline CSR standards*, doing what is necessary to manage reputational risks and defining minimum compliance standards for suppliers. In terms of risk management, market-prioritizing firms tried to preserve brand reputation by, for instance, monitoring factories with a “different level of severity” that deliver higher order volumes or are located in specific “risk countries” (MID_DE11_CSR1a). Likewise, CSR managers in these firms were explicit about not aiming for living wages but for minimum wages: “We don't pay wages. We pay a price for a product. [...] We're currently still oriented towards the legal minimum wage.” (MID_DE11_CSR1a) Assuring baseline standards such as legal minimum wages also involved including specific requirements into codes of conducts and making sure they were “known in the whole supply chain” rather than following up on their implementation because demanding compliance “would be lying to yourself” (DEP_DE18_CSR1a).

Market-prioritizing field level CSR activities involved *avoiding field-level commitments* to responsible management by supporting market standards through joining business-led CSR initiatives and lobbying against binding regulation. All firms in our sample following this approach are members of the business social compliance initiative (BSCI), a business-led initiative focused on creating “synergy effects” around supplier audits for member firms (STKH_DE_INITIATIVE1) often criticized for its exclusion of stakeholders as well as application

of standards “light” (IFT_DE_LEGAL1a1). Asked whether they were part of other initiatives as well, one CSR manager responded:

We don't have any further initiatives or activities [...]. I could hire two or three full-time employees, just to go to the conferences and do presentations and best practice and seminars and what not. So, no. Just simply no. BSCI is what we're concentrating on. That's already bad enough. (DEP_DE18_CSR1a)

Market-prioritizing firms tended to support industry associations that actively lobby against binding regulation. We regularly observed appearances of representatives of business associations at field events in Germany, where all market-prioritizing firms in our sample are based. When, for example, during a conference on Business and Human Rights the Chair of the German task force on Business and Human Rights and member of the Foreign Office said that the German Federal Government would consider binding regulation around human rights issues in global supply chains, a high-level representative of the Federal Association of German Industry stood up and responded in an act of explicit lobbying: “We agreed that differently and I am quite surprised what I hear from you today”. The government representative assured him that binding regulation would always be the “last resort” (E14).

Table 3 summarizes how the “prioritizing the market logic”-approach tackles the demands posed by the emerging responsible management logic in the context of the market logic. The table depicts both the meaning given to the two logics and the related structures and practices at organization and field levels, as well as the implications for responsible management practices. MNCs following the market-prioritizing approach emphasize competition and profitability as superordinate concerns, with responsible management demands understood mainly as a reputational concern for MNCs, since responsibility for labor standards is attributed to suppliers. These meanings are consistent with limiting organization and, particularly, field-level CSR activities to elements of a basic voluntary CSR infrastructure such as policing suppliers and

unilaterally defined minimum standards. As the visualization within Table 3 shows, this approach leaves the dominant market logic untouched by confining responsible management to the minimum required to protect business reputation in the light of new societal-level demands.

Accommodating responsible management within the market logic. In contrast to the first approach, managers in the second approach discursively *acknowledged responsibility* for labor standards in their supply chain. They recognized retailers' role in causing labor abuses and admitted their 'complicity' in labor and human rights violations. For example, one CSR manager reported on "what impact buying decisions have on ethics within the production base":

We order a blouse in blue with silver buttons and then somebody decides [...] they don't want a blue blouse anymore, they want a green blouse with scarlet buttons. That's fine, but what you've got to accept is that the buyers in a lot of businesses will go to the supplier and say 'changed our minds, got to be green, got to be gold buttons. Actually, we still want it delivered on the same day'. Pragmatically, that just doesn't work. Then you have workers in factories working to midnight because they're trying to catch up with a two-week shift on delivery because you've changed your mind at the eleventh hour, and you've got a button manufacturer that is desperately getting child labor in just to spray the silver buttons gold because they're not going to make this delivery on time. (LOWMID_UK13_CSR1a)

Acknowledging responsibility also involved engaging with critics both within the firm and externally. Internally, awareness training was a characteristic feature of firms' attempts to accommodate responsible management within the market logic, with CSR staff seeking different "ways we can reach buying," such as training featuring a screening of the movie "True Cost" (MID_UK19_CSR1b). Managers also attempted to accommodate responsible management by engaging with external critics, valuing NGOs that are "open to understanding the commercial reality" (MID_UK19_CSR1a).

Such discursive representations translated into concrete organization-level CSR practices. Here, accommodating responsible management involved *formalizing CSR procedures*, but as separate from core business practices. In several firms this meant granting CSR managers a formal veto right on onboarding new suppliers. Where such influence was formalized, orders could not

be placed without CSR staff having approved the supplier. As one purchasing manager reported: “Our colleagues [from CSR] tell us if a factory is cleared or not and if they’re not generally nobody’s allowed to work with them” (SUP_DE12_PURCH1a). Formalizing CSR at firm level is also achieved through building information systems around CSR. Such systems allow firms to have a clear map of their suppliers and their auditing and labor standard performance, and were perceived as critical to strengthening CSR managers’ role vis-à-vis purchasing teams:

[...] the system has been created so that they [purchasing colleagues] can’t do the purchasing unless they know the name of the site, and they can’t purchase anything if the name of the site isn’t approved by the business. Therefore, it is in their interest to get sites approved into the business. If we [the CSR team] can help them do that, we’re their best friend. (SUP_UK1_CSR1a)

Formalizing CSR procedures, thus, increases the leverage of CSR-managers but does not affect purchasing practices in a substantive way. CSR remains within the confines of the market with CSR investments following a win-win logic (seeking win-win through CSR). One German firm explained their investment in sourcing responsible cotton in terms of it being a “perfect win-win-win situation” – for their customers, for cotton producers, and for themselves (LOWMID_DE2 Sustainability Report 2015/2016, p. 29).

At field level, firms accommodated responsible management within the market logic by *supporting voluntary industry standards*. This process involved firms forming or joining MSIs, such as the Ethical Trading Initiative (ETI). Firms joined these as a resource to strengthen their CSR efforts through knowledge exchange and learning, reporting, for instance, that ETI “seemed a good organization to join that would help us, that would give us knowledge and information, to enable us to go further and do what we wanted to do” (LOWMID_UK9_PURCH1a), while members commonly relied on the ETI base code to develop their own “responsible sourcing commitment” (MID_UK19_CSR1a). Such commitments are not binding, however, and adhere to the market logic. Indeed, a characteristic form of action was engagement in a plethora of voluntary

certification and capacity-building initiatives. Such schemes represented a move away from a compliance-driven auditing approach to a more developmental and “incentive-based” approach, “for them [the suppliers] to see the benefit” (SPORT_DE6 at E13).

As summarized in Table 3, the “accommodating responsible management”-approach also accepts the market logic as dominant, but understands responsible management as good business practice that MNCs should strive for to the extent that the market permits. Responsibility for labor standards is shared by MNCs. These meanings translate into related organization and field-level structures and practices that form a complex voluntary CSR infrastructure. This approach, thus, takes the emerging responsible management logic seriously, but infuses it with market values, most importantly the principle of voluntarism. Accordingly, while CSR gains influence through formalization, core business practices remain largely unchanged.

Prioritizing responsible management in market-protected spaces. The third approach contrasts with the first two as it seeks to define limits to the market logic, i.e., to construct institutionally bound spaces that take specific labor standards issues ‘out of competition,’ thereby prioritizing responsible management over market demands. This process involves shifting the focus towards institutionalizing responsible management as a distinct field-level logic, at least partly emancipated from the dominant market logic.

Discursively, prioritizing responsible management involved *shaping a new meaning of responsible management*. Such re-definition of responsible management is rooted in CSR managers openly admitting the limits of unilateral and voluntary CSR. They, for instance, recognized that “small bespoke projects in a factory aren’t going to change the industry” (LOW_UK7 at E21); “For 20 years we’ve been doing [...] corporate social responsibility; a little bit here, a little bit there... That’s not going to make a change. We’ve all realized that” (E40). Such

realizations were particularly prevalent among the firms that ‘ticked all the boxes’ in terms of their compliance programs. Likewise, CSR managers frustrated by the lack of progress resulting from voluntary CSR practices argued “that voluntary self-regulation is not enough” (LOW_DE1_CSR1a). Alongside reflecting on the limits of voluntary and unilateral compliance-focused work, CSR managers were redefining CSR in terms of human rights. With the UNGPs on Business and Human Rights gaining momentum, “human rights [...] now [became] the new language” for CSR managers following this approach, shifting their focus from audit standards, “which you can just tick off,” to human rights due diligence, which had wider implications:

I suppose the key aspect there is what we would do as brands, obviously, is wait for something to happen and then say “oh my God, isn’t it bad? Let’s do something.” But now the focus is what are you going to do to make sure something bad doesn’t happen. And that is brilliant. But also, the problem is instead of eight standards, you’ve now got human rights, and human rights is huge, right? It opens the door to a lot more intervention. (MID_UK2_CSR2a)

What follows from this shift to human rights is the definition of labor standards as pre-competitive. Making certain labor standards “pre-competitive” became almost a new mantra, with the phrase being used regularly by representatives of the most advanced firms in interviews but also at industry events. Rather than competing on certain labor standards, as in the market-prioritizing approach, “businesses realized that human rights and social impact were pre-competitive, and it wasn’t something that businesses should be competing on” (LOW_UK7_CSR1a). Taking out of competition standards such as living wages to which firms supposedly, through their codes of conduct, adhere necessarily involves coordination with competitors. When asked about the biggest pressures for change in the industry, one CSR manager stressed cooperation, i.e., “the fact that there’s no competition on ethics” (MID_UK2_CSR3b).

Such discursive shifts translated into CSR managers *shaping new core business practices* at firm level. CSR managers had witnessed a constant collision with the existing CSR infrastructure and started contesting core business practices. Most explicitly, this entailed a

collision with purchasing managers being solely evaluated on commercial KPIs, as one CSR manager reported:

The bottom line with that is the average sourcing person is rated on how well they deliver, quality, delivery, and price [...]. [T]hey have to hit quality, they have to hit delivery, they have to hit their price. If they miss any of those three, they're fired. It's that simple. But if they hit quality, they hit delivery, they hit price and they find eight-year-olds in their factory, they're horribly embarrassed and they feel terrible but they're not fired. So, which of those four factors would you expect them to give more weight to? (MID_DE7_CSR1a)

As a consequence, CSR managers worked towards aligning responsible management demands with core business functions: “We see ethical sourcing as being the responsibility of anybody who's factory-facing in the business and integrating the ethical sourcing of CSR teams into that process. It means that we've all got the same goals and objectives, so we haven't got conflicting priorities” (SPORT_UK5_PURCH1a). The most potent way of achieving alignment, practiced by only a handful even of the most advanced firms, was by implementing responsibility-focused KPIs for purchasing staff. The importance of tracking suppliers' performance and including such measures in the KPIs of purchasing staff was stressed by the CSR manager of a German retailer, which had recently introduced responsibility-focused KPIs:

The annual bonuses of the heads of buying are calculated partially based on the vendor scores of their suppliers [...]. I had no idea how it would change the game. And, you know, when that first vendor score card came out the behavior of the buyers changed very quickly, because they could suddenly see things that were not visible to them before [...]. The vendor score card [...] suddenly put in cold numbers in front of them: this is the performance of the vendor. (MID_DE7_CSR2a)

The adoption of purchasing KPIs, thus, serves to incentivize the integration of labor standards in daily purchasing decisions, thereby limiting the previously dominant commercial imperative. Responsibility-prioritizing firms also adapted their supplier relationships, demanding more transparency to avoid subcontracting:

[...] things do go wrong. It's the nature of the beast. And the way we approach it with our suppliers and factories is, “If there is a problem or you can see something is going to not come in on time and you've got pressure from buying to get things done, you have to talk to us and we'll help you with it. Do not hide it and do not try to subcontract. It's not permitted under any circumstances.” But if they talk to us, we'll help to find a solution, there's always a solution. (DEP_UK4_CSR1a)

Instead of relying on the market to solve labor issues (i.e., through subcontracting), advanced MNCs allowed for issues to be addressed and potentially solved outside pure transactional buyer-supplier relationships.

Noteworthy in comparison to the other two approaches is that CSR managers of responsibility-prioritizing MNCs were much more active at field level – the logical consequence of discursively “admitting the limits of unilateral CSR” and “defining labor standards as pre-competitive”. At field level, firms prioritizing responsible management relied on *developing a binding regulatory infrastructure*. This process involved lobbying government for stricter regulation, particularly human rights due diligence legislation such as the UK Modern Slavery Act and the Supply Chain Act in Germany. Given the strong anti-regulatory stance of most apparel retailers – whose lobbying efforts have helped to weaken such regulations (LeBaron, 2020) – this development marks a clear shift away from ‘business as usual’. Regarding the UK Modern Slavery Act one CSR manager reported inviting “about 20 nonretail sector businesses [...] to [UK4] to have a meeting [...] with our counterparts from the British Retail Consortium [...] to stimulate more conversation on what we’re doing to then help lobby further with the government and support Baroness Young’s private member’s bill [aimed at strengthening the Modern Slavery Act].² So there’s a huge amount of work going on there and we’re pretty involved” (DEP_UK4_CSR1a). Such pro-regulatory stances were also voiced publicly, with the CEO of a responsibility-prioritizing German firm claiming at a high-level event organized by the Ministry of Economic Development that “after having tried voluntarism” he was now convinced that “everyone in the industry needed to follow the same rules” (LOW_DE1 at E61).

² <https://bills.parliament.uk/bills/1779> accessed June 2022.

Developing a binding regulatory infrastructure furthermore involved forging sectoral agreements with unions that restrain the market, the Accord in 2013 and ACT in 2015. Sectoral agreements such as the Accord or ACT differ from first-wave MSIs in at least two ways. First, they seek sector-wide rather than firm-level change:

We see it as a mechanism that is the best way to deliver sustainable change, so by having collective bargaining agreements that have been agreed at an industry level, you're not so much looking at factory to factory, you're looking across a whole industry. [...] It's new; it's a very new approach to doing things. (DEP_UK4_CSR1b)

Sector-wide application ensures that specific labor issues are turned into a collective responsibility and taken out of competition. The Accord entailed rules that were applicable to all signatories, because “the only way it was going to happen was to have that kind of collaboration” (MID_UK2_CSR1). The mechanism of industry-level collective bargaining in producer countries envisaged by ACT likewise means that suppliers would no longer compete on wages, while brands would be obliged to set prices commensurate with industry collective agreements that ensure living wages for all garment workers. A CSR manager from an ACT member firm explained, “it takes wages out of competition [...], I don't have that excuse now of saying, well [...] if we're doing it, what about M&S? It takes it out, takes all that out. It sets a level playing field for the employers [suppliers] as well, it ensures that employers are not undercut” (MID_UK2_CSR2a). The potential sector-wide effects were explained by a CSR manager from an ACT member during a public event:

What ACT does from our perspective that's so brilliant is that it looks at all the workers in that sector. So it doesn't matter whether you're making for [UK7] or any of those brands that are up there [...] the workers in those factories will still benefit. (LOW_UK7 event E17)

Second, sectoral agreements give unions as legitimate representatives of workers a key monitoring role. Global union federations such as IndustriALL are interlocutors in binding agreements, a role that NGOs are not able to play. These new allies stand for rights-based empowerment of workers, assuring freedom of association and collective bargaining and a recognition of the limits of CSR:

“Because if you don't have collective bargaining, you don't have the unions in those factories on the ground, those workers will always be vulnerable. Always.” (MID_UK2_CSR2a) Enforcement via union monitoring constitutes the ‘bindingness’ of sectoral agreements for member firms. Signatories to the Accord are prevented from undercutting each other on safety by purchasing from factories with lower costs resulting from lax safety standards.

Such sectoral agreements cement committed collaboration between firms, allowing them to overcome the limits of unilateral CSR:

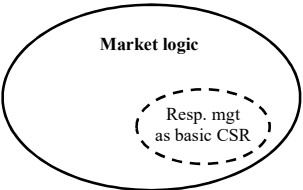

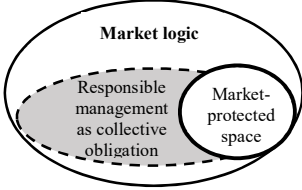
You can't change an industry as a single retailer. So, as I say, 98 per cent of our factories are shared. We can't do much once we're in there because we're sharing. People say, “[UK7], why don't you pay these workers more?” And we go [...] “Actually, we need everybody. Everybody needs to work to increase the minimum wage and get to a living wage. Everybody needs to do that.” (LOW_UK7_STRAT1a)

While some CSR managers knew each other from previous initiatives and had shared CSR-related best practices within voluntary MSIs, the Accord allowed for a new level of openness, including on topics that had so far been considered part of firms' trade secrets. The Accord not only disclosed inspection reports and corrective action plans, but also foresaw brands working together on improving shared factories, with each supplier having assigned a brand that would take the lead in coordinating factory improvements. Signatory firms were required to engage with suppliers to ensure implementation of Accord requirements and terminate relationships with those that failed to respond. Such information sharing has also carried over into the ACT agreement, where the level of transparency required in forging the agreement necessitated that brands “made sure there are no anti-trust issues involved in these [ACT] working groups, so brands have provided lawyers, to introduce and explain what we can and can't discuss. We discuss processes, we never discuss percentages, numbers, values.” (SPORT_UK5_CSR1a)

As Table 3 shows, the “prioritizing responsible management”-approach goes beyond voluntary CSR when addressing responsible management demands. Instead of fully submitting to

the market logic, this third approach seeks to restrain the market on selected problem domains so that responsible management can become a priority. Pursuing it not only entailed challenging the taken-for-granted nature of the market logic, but also developing a new meaning of responsible management, reconstructing it as a collective and regulatory issue and as a duty to uphold human rights. Taking specific issues such as wages or safety out of the realm of the market logic relied on a binding regulatory infrastructure which allows the development of more responsible core management practices, especially regarding purchasing and supplier management. We call such institutionally bound spaces in which limits are set to the jurisdiction of the market on pre-defined problem domains market-protected spaces.

Table 3: Three Approaches to Responding to Responsible Management Demands

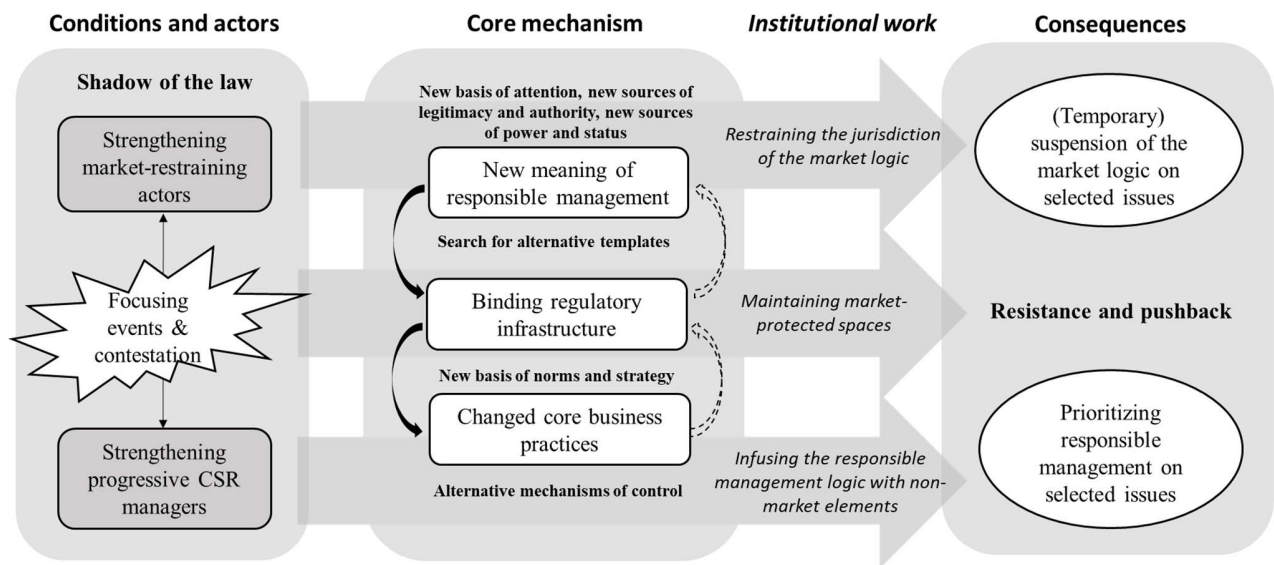
	Prioritizing the market logic	Accommodating responsible management within the market logic	Prioritizing responsible management in market-protected spaces
Meaning given to market logic	Competition, profitability	Competition, profitability	Competition as a problem, profitability
Meaning given to emerging responsible management logic	Responsibility for labor standards delegated to suppliers; responsible management demands as reputational concern	Responsibility for labor standards as shared responsibility; responsible management as ‘good’ business practice to the extent the market permits	Responsibility for labor standards as a collective and regulatory issue; responsible management as a duty to uphold human rights in all business functions
Underlying organization and field-level structures	Basic voluntary CSR infrastructure	Complex voluntary CSR infrastructure	Binding regulatory infrastructure
Implications for responsible management practices	Responsible management as risk and reputation management	Responsible management as a mix of auditing, capacity building, MSI engagement, veto rights	Responsible management as responsible purchasing and supplier management practices
Effects on dominant and emerging logic	Maintaining market logic dominance, deflecting responsible management demands	Maintaining market logic dominance, infusing responsible management logic with market values, especially the principle of voluntarism	Restraining jurisdiction of the market logic, emancipating responsible management logic from market values on selected issues
Visual representation of relationship between dominant and emerging logic			

In the following section, we explore the conditions and actions that led to the construction of market-protected spaces in more detail, while elaborating on the mechanism by which market-protected spaces suspend the market logic, even just temporarily, while at the same time laying the basis for institutionalizing the emerging logic of responsible management in a field.

The Institutional Work of Constructing Market-Protected Spaces

Market-protected spaces developed in particular circumstances. They were co-constructed by an alliance of a small group of progressive firm representatives, who recognized the importance of restraining the market in order to prioritize responsible management, and global union federations, which have sought to fill the regulatory gap regarding labor relations in global production networks by strengthening labor movements in the Global South and by establishing themselves as a bargaining partner for MNCs (Ford & Gillan, 2015). International human rights lawyers and the ILO also provided support. We utilize our full dataset to analyze this development and its effects. We connect our analysis to the dimensions of institutional logics to illustrate how market-protected spaces produce institutional effects through three forms of institutional work. Figure 3 summarizes our core concepts and how they link together.

Figure 3: The Institutional Work of Constructing Market-Protected Spaces



Crucial for the construction of market-protected spaces was the strengthening of market-restraining actors, particularly global union federations, combined with the additional leverage of progressive CSR managers at firm level. Two developments, the Rana Plaza focusing event and the shadow of the law created by the UNGPs, empowered these actors and led to shifts in the basis of attention, provided a new source of legitimacy beyond profit, and established market-restraining actors as new sources of authority in the field.

Focusing events shifting basis of attention. The most potent field-level catalyst in the construction of market-protected spaces to date has been the Rana Plaza building collapse. The disaster came hot on the heels of two factory fires in 2012, the Ali Enterprises fire in Pakistan, which killed over 250 workers, and the Tazreen fire in Bangladesh in which over 100 workers burned to death. Trade unions and NGOs had been trying to secure brand action for years; Rana Plaza provided dramatic illustration of their case that voluntary CSR had failed. One high level global union representative noted: “we know that the audit system failed, we saw this at Ali Enterprises, at Rana Plaza, and many other catastrophes” (E45). Within firms Rana Plaza created

overwhelming pressure for a new approach, serving as a “call to arms” (SUP_UK3_CSR1) to CSR managers:

I think Rana Plaza, when we write the history of this field, Rana Plaza will be seen as the breaking point. Because up until that time we were taking a certain approach to auditing, you know basically the audit-remediate-audit model and where you could have compliance programs driven by the calendar instead of by actual progress on the ground... And what Rana Plaza did, coming on top of Ali Enterprises and Tazreen, is it forced us to really say, “this isn’t working, we have to do something new.” (MID_DE7_CSR1a)

As we explore below, this crisis of confidence gave global unions an opportunity to establish themselves as new sources of authority, with one representative of a global union reflecting:

Things have shifted massively [...]. I think, in the beginning, we were just happy to be able to be acknowledged as a global partner for companies. Now we expect much more than just being acknowledged as a global partner. We have real demands that we make at the companies, and say “Well if you’re going to enter into a global framework agreement with us, this is what we need you to be committing to.” So, it’s a shift, it’s a maturity, it’s a more confident approach. (STKH_GL_GLUNION1a)

International standards establishing new sources of legitimacy. Following the adoption of the UNGPs, firms, global unions and NGOs were operating under a deepening “shadow of the law,” intensified in the garment industry by the shame of Rana Plaza. The UNGPs opened up new areas of potential legislation and enforcement, not just on ILO core labor standards but also on working time and living wages (articles 24 and 25 of the UN Declaration of Human Rights). The shadow of the law can prompt parties to negotiate solutions rather than have them imposed by the state (e.g., Bercusson, 1992). Unions and NGOs were not hostile to state regulation, and indeed saw it as a potential means of forwarding what they perceived as a stalled responsible management agenda. As one German unionist explained:

If I don’t have legal regulations [...] the frontrunners quit their activities or stagnate [...] because they’ve got close to the limit of their competitiveness and that’s where the fun simply stops. If I don’t build up pressure from the bottom – namely through legal regulation, binding regulation – at some point nothing is going to move up there. (STKH_DE_UNION3)

However, binding private regulatory agreements were equally if not more attractive to unions, since they gave them the opportunity to deepen their relationship with brands, as well as carry out

enforcement activities in producer countries. Firms, meanwhile, were also pushed to review their thinking. As one CSR manager reported, the UNGPs felt like “a tipping point” (LOW_UK7_CSR1a), which became irresistible in the face of the “game changer” (MID_UK2_CSR3b) of Rana Plaza. The Accord, albeit more robust than many firms would have liked, was better than an imposed alternative.

Strengthened market-restraining actors becoming new source of authority. Rana Plaza, in the shadow of the law, thus precipitated a dramatic increase in the influence of global union federations and the ILO. As noted above, CSR managers faced a crisis of confidence in the wake of Rana Plaza. Confronted with reeling and “complicit” (MID_UK2_CSR3b) brands, global union federations used their ‘clean hands’ and legitimacy as established worker representatives to gain a platform. Global unions had been discussing fire and building safety in Bangladesh with leading brands since 2010, but had achieved little traction.³ As Philip Jennings, General Secretary of UNI Global Union reported, on the eve of Rana Plaza “we didn’t have one signature” on an agreement resembling what became the Accord.⁴ The involvement of the ILO as an independent chair further boosted the legitimacy of the Accord as an appropriate solution to the crisis. The ILO has a “magisterial function [...] as a moral authority in the field of labour rights” (Posthuma & Rossi, 2017, p. 197), and its involvement directly influenced brands’ decisions to sign the Accord. Yet even in the light of the Rana Plaza catastrophe, contestation was required to push many market-prioritizing and responsibility-accommodating firms to accept union involvement and join the Accord (Reinecke & Donaghey, 2015). As one national union official noted, “we got as many people as possible [to sign] and then basically said to the others, ‘Sorry, there’s going to be a

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https://ecommons.cornell.edu/bitstream/handle/1813/102182/CCC_2013_Report_History_behind_the_Bangladesh_Fire_and_Safety_Accord.pdf?sequence=1, accessed June 2022.

⁴ <https://www.youtube.com/watch?v=CqGrWMmL6gA>, accessed June 2022.

campaign, so we'll have angry people waving placards outside your headquarters and key locations if you don't shift in the next 24 hours.' In the end, they pretty much all shifted" (STKH_UK_UNION1).

Strengthened progressive CSR managers using new sources of power and status. CSR managers in responsibility-prioritizing firms grasped both Rana Plaza and legislation arising from the UNGPs as an opportunity to strengthen their leverage. Working with trade unions, they aimed to push the sector forward, and to increase their internal influence. Although the Accord was initially something of a post-Rana Plaza shotgun marriage between firms and global unions, CSR officers in responsibility-prioritizing firms quickly understood its potential and embraced the Accord as a promising template for further action:

We can spend six months doing one factory, putting it in a CSR report and saying, "Look at us. Aren't we nice? We've got a crèche for the kids." Hallelujah, 25 kids, there's three million home workers, what are you going to do for the rest of them? This is what needs to change, it has to be industry wide. The Accord has proven it can and will work, collaboration has to happen, right? And if you're not collaborating, then ultimately, you need to be held to account, that's where the pressure needs to come. (MID_UK2_CSR2a)

Likewise, legislation was used to push forward the responsible management agenda internally. As one CSR officer reported in relation to the MSA:

I think the great thing about the Modern Slavery Act is that it has brought the responsibility into the boardroom for the first time [...]. Some of the other stakeholders at corporate level such as legal, such as those that were involved in governance hadn't really thought about it [responsible management] in the same way as we had. So it was a bit of a journey to take them from what they considered was the traditional approach of just reliance upon compliance [...] to that of really putting human rights first [...]. (MID_UK2_CSR3b)

The enforcement activity of international human rights lawyers had a similar impact, as is illustrated by the involvement of one of the firms in our sample in a lawsuit which increased both the internal influence of the CSR team and its field-level activity.

The above conditions and actors set in motion a multi-level mechanism: the construction of market-protected spaces as a joint effort of (advanced) MNCs and market-restraining actors. In

the following section, we show how our second-order themes under the dimension of “prioritizing responsible management in market-protected spaces” connect in allowing the twofold institutional work of restraining the jurisdiction of the market logic on selected issues and infusing the emerging responsible management logic with non-market elements. First, the new meaning of responsible management and the definition of labor standards as non-competitive led to a search for new templates – sectoral agreements. Second, in the context of a binding regulatory infrastructure, firms and unions engaged in a process of joint regulation, resulting in a new basis of norms and strategy. Third, these new norms and strategies were translated into changes in core business practices that established alternative formal and informal mechanisms of control. While providing the basis for institutionalizing the emerging logic of responsible management in the field through infusing it with non-market elements, market-protected spaces are contested, thereby requiring continued maintenance work.

New meaning of responsible management leading to a search for alternative templates.

Restraining the market began with recognizing the limits of voluntary and unilateral CSR under the dominant market logic and reframing responsible management as a collective issue and a duty to uphold human rights. The UNGPs had already provided an alternative source of legitimacy based on human rights, while Rana Plaza had created a context in which trade unions emerged as a new source of authority. Particularly the unions’ template of binding sectoral agreements modeled on national-level collective bargaining was seen as a possible solution to this new understanding of responsible management. As one of the senior IndustriALL officials explained with regard to the Accord:

The Accord is a whole package of incentives and levers, and it wouldn’t function if any of them were absent. So the fact that it is a bilateral agreement between labor and companies, and that it is an enforceable agreement, and it includes incentives for suppliers and sanctions for suppliers, all of those are essential elements to make it work and the transparency provisions as well. (STKH_GL_GLUNION1a)

Binding sectoral agreements are a radical shift away from voluntary CSR, as they entail rules which take priority over market pressures. Asking rhetorically what the “binding” character of the Accord meant, a senior official at UNI clarified: “So UNI and IndustriALL. We can enforce the agreement against a brand that does not fulfil their obligations.” (E48) This occurred through a multi-stage enforcement procedure “much like a normal, traditional union grievance procedure,” the ultimate stage of which was final and binding arbitration (ibid.). Thus, working alongside responsibility-prioritizing brands, global unions have used their newfound authority to assert “traditional union” procedures in a transnational industry field, thereby limiting the writ of the market. The proposed mechanism of ACT likewise applies traditional union approaches to a transnational context. Unions’ role as monitors of binding agreements increased their authority, as signatory firms had to submit to union enforcement action. As a senior union official reported in relation to the Accord’s enforcement procedure:

When we [global union] first brought our first case to the steering committee it was considered to be quite alarming and the brands really thought, “Oh my gosh, this is not like anything we’ve experienced in the past”. It was quite alarming but now it’s not. It’s considered to be part of our job. I think that’s a very important maturing of the relationship. (E48)

Binding regulatory infrastructure providing a new basis of norms and strategy. In the context of these sectoral agreements – in our case the Accord and ACT – actors started to engage in a process of joint regulation in which they collectively agreed to a set of norms that went beyond self-interest. As a top executive explained:

[...] the more complex that collaboration becomes because everybody’s got different interests because you sort of go, “Well, we’re all about what the workers do here,” and you sort of go, “Yeah, but I’ve got a different interest in what that worker does,” and, “I’ve got a different interest here,” and, “I’ve got a different interest there,” and you sort of go, “Yes, we should all recognize what all those different interests are but if everybody’s trying to get... you’ll never get off the ground. [...] suddenly you’ve got the ability to do something [...] sustainable with collective bargaining. (LOW_UK7_STRAT1a)

The Accord placed a collective constraint on firm signatories' purchasing decisions which set new norms for handling supplier relationships that went beyond the traditional focus on price. For instance, firms were "committed to maintaining long-term sourcing relationships with Bangladesh" for the duration of the five-year agreement, with a specific commitment "to continue business at order volumes comparable to or greater than those that existed in the year preceding the inception of this Agreement with Tier 1 and Tier 2 factories" for the first two years.⁵ This temporal commitment helped unlock the initial cooperation of the Bangladesh industry with the Accord. A similar mechanism was envisaged within ACT, with sourcing commitments aimed at ensuring that brands "keep faith with countries that are actively pursuing increased wages and that we maintain volumes and that we support them" (SPORT_UK5_CSR1a). The construction of a market-protected space thus involves firms accepting constraints on their activity so that responsible management could be prioritized on selected issues. These norms, in turn, established a new basis for strategy defined in terms of securing negotiated conditions for workers and making their "lives better" (MID_UK2_CSR1a). A strategy shift is likewise visible in brands committing to collective action in locations from which their sourcing was minimal:

[...] we're a responsible business, and we understand that we can't achieve what we want to achieve within our own supply chain, without it being a much wider piece of work. So although our sourcing in Cambodia is minimal, we were fully involved in the delegation to Cambodia. [...] We source nothing in Bangladesh [...]. But it doesn't matter. We'll come round to our main sourcing countries some time, and this is a democracy, and we'll go wherever the members [of ACT] want to go, and we'll fully contribute to the process, because we're benefiting workers somewhere. (SPORT_UK5_CSR1a)

As this quote indicates, "benefiting workers somewhere" has become an end in itself, emancipated from the market logic.

⁵ <https://bangladesh.wpengine.com/wp-content/uploads/2018/08/2013-Accord.pdf> accessed June 2022.

Changed core business practices providing alternative mechanisms of control. These new bases of norms and strategy trickle down to the firm level, where they facilitate a change in core business practices via formal and informal control mechanisms more in line with an understanding of responsible management as a collective problem and basic obligation. The sharing of information required by the Accord encouraged the disclosure of supplier information, which had so far been considered part of a firm's trade secret. Brands' experience of transparency within the Accord meant they were less anxious about disclosing supply chain information and signing the Transparency Pledge, which required them to disclose their supplier list. As one CSR manager whose firm was in the process of responding to the Transparency Pledge noted, "Everyone's factories are publicly published on the Accord website and that's fine" (DEP_UK4_CSR1a). Another likewise saw the Accord as a precursor to wider transparency: "We've already disclosed lists, have done for the last three years in Bangladesh specifically, because of the Accord [...]" (SUP_UK3_CSR1a). Transparency – as a new informal control mechanism – may help to perpetuate practice change, and recursively strengthen the commitment to new norms and strategies. The implementation of responsible management-oriented KPIs for purchasing staff discussed above is a further example of a shift in firm-level control mechanisms. Such change allows for purchasing decisions to be aligned with responsible management.

Pushback requiring continued maintenance work. These efforts to restrain the jurisdiction of the market logic and infuse the responsible management logic with non-market elements were actively resisted by market-defending field actors and institutions, so that continuous maintenance work was required to renew or expand sectoral agreements at field level and responsible management practices at firm level. Examples of pushback include German business associations "lobbying aggressively against" efforts to introduce due diligence legislation

in Germany (E62) and the BSCI's initial withholding of any recommendation that its members should join the Accord.⁶ Similarly, the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) – having accepted the necessity of the Accord as a means of rebuilding the reputation of the Bangladesh apparel industry following Rana Plaza – strongly opposed the extension of the Accord beyond its original five-year mandate. When the Transition Accord agreement was signed in June 2017, the BGMEA claimed that the activities of the Accord and Alliance were bringing the Bangladesh apparel industry to the “edge of ruin” and demanded that the Accord should finish its work as planned in 2018.⁷ The presence of the Accord in Bangladesh was subsequently challenged in the courts. The pushback of these market-defending field actors strengthened the hand of actors at firm level skeptical or opposed to the responsibility agenda. This meant that responsible management continued to be resisted even in responsibility-prioritizing firms. Market-protected spaces are thus contested and fragile, with CSR managers fearing that without continued maintenance work they “might simply fall back to business as usual” (LOW_DE1_CSR1a). As this CSR manager noted, “constant pressure and touching on a sore point over and over again” (LOW_DE1_CSR1a) by unions and other market-restraining actors was required to prevent regress. One example of such maintenance work was the successful campaign by unions and activists to secure the Transition Accord.⁸

The conditions supporting the construction of market-protected spaces suggest that alongside contestation these could be maintained through emerging hard law regulation that strengthen new sources of legitimacy as well as the authority of market-defending actors. If

⁶ <https://www.amfori.org/news/bsci-welcomes-accord-fire-and-building-safety-bangladesh> accessed June 2022.

⁷ <https://www.fibre2fashion.com/news/apparel-news/bangladesh-apparel-exporters-oppose-accord-alliance-207215-newsdetails.htm#.WYLLyAxEoAU.twitter> accessed December 2021.

⁸ <https://www.industrialunion.org/more-than-100-brands-sign-2018-transition-accord-in-bangladesh>, accessed June 2022

successfully defended, market-protected spaces can potentially lead to the institutionalization of responsible management as a new field-level logic that is not just pluralistic (Radoynovska et al., 2020), but includes meanings, structures and practices specifically negotiated for the issues at hand. Such field-level transformations require time, so we were not able to fully observe this latter effect in our data. But we saw the ‘seeds’ of such institutionalization in the context of market-protected spaces, from which non-market dimensions of the responsible management logic could, eventually, diffuse.

DISCUSSION

After decades of CSR efforts, there are growing calls to reevaluate the systemic constraints of the current economic system that stymie even the best intended CSR initiatives and understand how such constraints can be managed, avoided, and mitigated (deBakker et al., 2020; Ergene et al., 2020). By studying organization and field actors’ efforts to establish more responsible management practices in the global apparel industry, we illuminate the constraints on responsible management posed by the dominant market logic and the institutional work needed to overcome them. We advance the notion of a market-protected space held in place by a binding regulatory infrastructure as an alternative to voluntary CSR. This concept provides a different approach by which conflicts among institutional logics can be addressed, informs current theoretical debates on the limits of CSR in achieving systems change, and yields practical and policy contributions.

Contributions to Theory

We contribute to institutional theory by indicating an alternative way through which tensions between conflicting institutional logics can be addressed, particularly in cases where one logic is highly institutionalized – such as the market logic – and dominates the other – such as the emerging responsible management logic. Lee and Lounsbury (2015) have argued that prioritization of one logic over others depends on the saliency of these other logics. In their study of environmental

practices in different US communities, local community logics acted as a filter for market and state logics, mediating their influence. Similarly, Yan et al. (2019) as well as Greenwood et al. (2010) show how the presence of alternative logics can mediate the effect of dominant logics. In our global industry setting, by contrast, MNCs have escaped the constraints of alternative logics, establishing the market logic's dominance. By framing responsible management as compatible with market demands through the business case for CSR, MNCs have for many years tried to blend both logics through market-compatible, voluntary CSR practices, a common approach when conflicting logics are central and somewhat compatible (Beharov & Smith, 2014). While these blended practices established a baseline level of voluntary standards, they also shielded MNCs from addressing substantive and redistributive issues that would affect the core of their business model (LeBaron et al., 2021; Maryudi et al., 2020) and averted state regulation, thus reinforcing the market logic's dominance (Glasbergen et al., 2007; Fransen & Kolk, 2007). In other words, in our field the emerging pluralistic societal-level responsible management logic (Radoynovska et al., 2020) has been deflected by responses conceived within the market logic.

Like other catastrophic events (e.g., Chandler, 2014; Hoffman & Jennings, 2011; Hoffman, 1999), the Rana Plaza accident significantly increased the salience of responsibility concerns in the industry, leading some CSR managers to problematize the market logic as incompatible with responsible management. This event strengthened the role of market-restraining actors such as global union federations in the field, who suggested alternative ways of interpreting and practicing responsible management. When conflicting logics are central, yet incompatible, research has pointed to the important role of practitioners in flexibly dealing with them (Smets & Jarzabkowski, 2013), or of organizations creating structures of hybrid elasticity where logics give and make space for each other (Gümüşay et al., 2020a). In our case of an imbalance between an emerging and a

highly institutionalized logic, however, CSR managers – as the key organizational actors dealing with responsible management demands – shifted from a managerial approach of trying to synthesize conflicting logics towards a strategic one in which they tried to manipulate the meaning of both logics at field level (Jay, 2013). Enabled by the opportunity structure of the Rana Plaza disaster and supported by strengthened market-restraining actors, they defined worker safety and labor standards as a collective problem requiring collective solutions, i.e., as a transnational commons (Ansari et al., 2013), but also engaged in institutional work to translate this new understanding into structures and practices, thus providing the basis for institutionalization (Friedland & Alford, 1991; Ocasio, Thornton, & Lounsbury, 2017).

In this sense, our study confirms Hoffman's (1999) analysis of how focusing events lead to changes in field membership and shifts in cognitive, regulative, and normative institutions. What our study adds is an analysis of the more complex and fragile process of carving out a space for new logics that address complex problems in a transnational field where changes in dominant institutions cannot rely on national legislation alone. While legislative changes play a role in our case, changes in meanings, structures, and practices of responsible management away from the market-infused interpretation of responsible management relied on a multi-level mechanism of constructing market-protected spaces – institutionally bound spaces in which the jurisdiction of the market logic is restrained on specific issues. This approach neither keeps logics separate (e.g., Reay & Hinings, 2009), nor keeps them in a state of elastic hybridity (Gümüşay et al., 2020a), but rather accepts the dominance of one logic and carves out a space within which the hierarchy among logics can be reversed, even just temporarily.

The underlying institutional work of restraining the jurisdiction of the market logic and infusing the responsible management logic with non-market elements goes beyond the

construction of a new field-level logic towards providing a mechanism through which new meanings can be translated into changed business practices via a binding regulatory infrastructure that not only sets collective constraints, but also provides a new basis of norms and strategy as well as alternative mechanisms of control (Thornton et al., 2012). In this sense, market-protected spaces can be viewed as an experimental social space protected from dominant institutional demands (Cartel, Boxenbaum, & Aggeri, 2019) in which the new meanings, structures, and practices constituting emerging logics can be negotiated and established. Yet market-protected spaces are unstable and contested, requiring ongoing institutional work, with actors representing the dominant logic seeking to shrink the space both overtly – as e.g. the German industry associations in our case – or more unobtrusively (Zietsma, Ruebottom, & Slade Shantz, 2018), e.g. through the continued use of commercially-focused KPIs. Depending on how these contestations develop, market-protected spaces may expand or disappear over time. If they expand, the dominant logic may gradually be refined as its influence becomes increasingly bounded, allowing alternative logics to form a new institutional order (Lounsbury, Steele, Wang, & Toubiana, 2021).

Similar to Yan et al. (2019), our study enhances understanding of how and to what extent institutional change can occur in fields in which one institutional logic is dominant. While Yan and colleagues argue that institutional change can take place when a dominant logic becomes decomposed into means and ends and existing alternative logics synergistically provide alternative ends, our study examines a case where alternative logics are not yet or no longer institutionalized, as in global supply chains (Lane, 2008). In such contexts, seeds for the institutionalization of emerging logics can be sown only when the dominant logic is selectively restrained. This mechanism is different from covert, practice-driven or bottom-up institutional change (e.g., Maguire, Hardy & Lawrence, 2004; Reay, Golden-Biddle & Germann, 2006; Smets et al., 2012),

since the necessary institutionally bound spaces need to be established at field level and involve focusing events, contestations, and regulatory support. It is also different from the idea of localized “uneasy truces” between a dominant and an emerging logic (Reay & Hinings, 2009), which are difficult to establish in a global competitive market.

Protecting particular domains from the market can take various forms. State regulation, for example, proscribes the market logic in some domains (e.g., organ sales) and limits it in others (e.g., through labor legislation). However, since the end of the 1970s, the market logic has significantly expanded into different societal spheres previously protected from the market (Beckert, 2009), including healthcare (Reay & Hinings, 2005; Dunn & Jones, 2010), culture (Glynn & Lounsbury, 2005), or higher education (Fleming, 2020; Townley, 2002). With mounting concerns about exploitative structures and inequality resulting from this expansion, some national legislators have attempted to restrain the market again, e.g., by setting national minimum wages (Balsiger & Schiller-Merkens, 2019). Struggles among conflicting logics thus also play out at state level, with some countries and ministries opting for restraining the market and others for defending the market. State support for private regulation such as collective bargaining of wages and conditions by trade unions also varies cross nationally and over time. For example, while nation states can support private regulation (Reinecke & Ansari, 2016), the Bangladesh government’s withdrawal of support for the Accord shows that states can also undermine and contest binding agreements (Bair et al., 2020). The same dual potential exists at transnational level. International soft law and national law could support the development of binding agreements, which, for example, offer one way for firms to meet due diligence requirements. Binding agreements can have advantages in terms of trust and commitment which can arise when parties negotiate their

own rules (Ostrom, 2010). On this basis Ostrom (2010, p. 665) calls for public policy “to facilitate the development of institutions that bring out the best in humans.”

A competitive ‘race to the bottom’ dynamic similar to our case can be observed in the gig economy. Here, some German crowdwork platforms together with the trade union IG Metall negotiated a fair work agreement with the aim of improving the conditions of crowdwork (Gegenhuber, Schuessler, Reischauer & Thäter, 2022). This case indicates that the basis for private market-protected spaces is the existence of at least two parties – corporate and market-restraining–willing to negotiate an agreement in an area where their interests align, as well as an enabling state supporting such negotiations (Bodrozic & Adler, 2022). The areas in which this is considered legitimate are typically defined in anti-trust regulations – and these differ cross-nationally and can change, not least in the light of grand challenges.

We can envision market-protected spaces not only for addressing labor standards in other industries, but also for addressing other grand challenges in the global economy where the influence of individual nation-state governments is limited. However, as a main boundary condition, their construction relies on pre-institutionalized market-constraining actors like trade unions to act as legal representatives of rights holders and interlocutors holding firms to account. When it comes to environmental issues, a central question is who holds the rights to the environment – animals, plants, “Mother Earth”, future generations? – and which body can represent these rights holders. Unless this question is clarified legally, public regulation is necessary to create market-protected spaces, such as the recent “duty of care” rulings regarding climate change that oblige governments to account for the rights of future generations.

Our study also informs research on CSR as a political struggle (Soderstrom & Weber, 2020; Wright, Nyberg & Grant, 2012) in the light of persistent tensions between economic and social or

environmental aims (e.g., Hahn et al., 2010; Slawinski & Bansal, 2015). Existing studies focus on efforts to institutionalize a responsible management logic against resistance, but rarely address agency directed at the other end of the tension: the dominant jurisdiction of the market logic. This unequal contest can be addressed by placing restraints on the market, and not by enlarging the scope of CSR while leaving the market untouched. Thus, the institutional work of CSR managers can go beyond building a voluntary CSR infrastructure towards creating boundaries around certain areas of responsible management where the writ of the market cannot run. Our study indicates that rather than freeing corporations up from public regulation to be responsible, as was long lobbied for under the banner of voluntary CSR (Kinderman, 2012), a binding regulatory infrastructure can free MNCs up from market pressures, thereby enabling them to act as corporate citizens (Matten & Crane, 2005) regarding areas of social and environmental concern in their global operations.

This work is highly contested and requires new coalitions with market-restraining actors not just at an organizational, but also at field level. The progressive CSR managers we studied overtly started to problematize the failures of the existing voluntary CSR infrastructure and sought support from regulators, collective representatives of workers, and legal professionals in identifying areas and mechanisms for restraining the market in more binding ways. Going beyond the organization to the field level made CSR managers less exposed to commercial pressures pushing back against their efforts internally (e.g., Wright & Nyberg, 2017). Our findings demonstrate that the path to the “civil stage” in which companies promote collective action to address society’s concerns based on corporate and societal learning (Zadek, 2004) is not inevitable and faces strong pushbacks. Indeed, firms in the apparel industry remained stuck far below the civil stage despite decades of frequent societal contestation, and some only shifted from a defensive to a compliance stage after the Rana Plaza disaster.

In sum, connecting these theoretical perspectives, we conceive the institutionalization of responsible management as going through cycles of embedding and disembedding the market (Polanyi, 1944) rather than as a linear, progressive process. From a historical perspective, the meaning of CSR itself developed cyclically, changing from a notion of legal compliance to code compliance and now back again to more binding formats (Bartley, 2005; Brammer, Jackson, & Matten, 2012). This process is punctuated by events such as the Rana Plaza disaster, but even such catastrophic events do not, on their own, catalyze a change in dominant logics. Pushbacks and regression is frequent, as dominant actors – including state actors – tend to defend the existing market logic. Recognizing this multi-layered process also brings state actors firmly back into the debate as playing an important part in defining “the rules of the game”, also in a global economy (Bartley, 2018; Knudsen & Moon, 2017; Schrempf-Sterling, 2018). Thus, struggles to enact systems change (Bansal & Song, 2017; Fleming & Jones, 2013) unfold on and across multiple levels, echoing recent calls for multi-level models of institutional and social change (Purdy & Gray, 2009; Van Wijk, Zietsma, Dorado, de Bakker, & Marti, 2019).

Contributions to Policy and Practice

Having been in close contact with corporate actors as well as different stakeholders over a significant period of time during our research, we see several ways in which our findings are relevant to practice and policy development. First, we have argued that binding regulation can restrain the market in ways that make a difference to workers, the most peripheral stakeholders typically not benefitting from CSR activities (Barnett, 2019). Thus, instead of continuing to support the proliferation of small-scale projects, MNCs with a strong interest in advancing responsible management can focus on forging binding sectoral agreements on complex issues, in the context of which new core business practices and new evaluation criteria can be developed on an industry level. Our analysis showed that aligning incentives within the firm is crucial. No

amount of training of purchasing staff will be successful unless their KPIs include responsible management demands. Changing evaluation criteria is also an important step towards incentivizing suppliers to implement better standards, as incentives need to be aligned along the chain.

Second, our findings indicate the longer-term process and effort needed to restrain the market in areas where complex social problems are concerned. In this regard, it is important that MNCs align their CSR activities with their corporate political activity (den Hond, Rehbein, de Bakker, & Kooijmans-van Lankveld, 2013) given that public regulations increase the pressure for all firms to invest in collective action.

Finally, policy makers should consider that a binding regulatory infrastructure also needs continuous institutional support, in producer as well as consumer countries. Bartley (2018) concludes that after decades of MSI developments, workers and the natural environment now have many rules but still no rights, indicating a need for further, binding regulatory action and innovation, particularly on a transnational level. Policy-makers serious about addressing grand challenges should reflect on institutional safeguards for market-restraining initiatives, and strengthen market-restraining actors at different levels, also in other transnational problem areas such as global health where robust and resilient institutions protected from the market are needed.

Limitations and Further Research

Our study has several limitations which pave the way for further research. First, we have studied only one specific issue, labor standards in global supply chains, in one specific industry. The dynamics we have observed might be specific to this context and might not be immediately transferable to other grand challenges. Most extant studies emphasizing systems change have focused on the natural environment (e.g., Ergene et al., 2020). Thus, we see a need for comparative studies running across grand challenges, as each involves different actors and institutional supports (Fransen, 2013). Our idea of a market-protected space may serve as a bridging concept for such

comparisons. Further research could examine which stakeholders can become key allies in restraining the market around environmental issues.

Second, while we recognize that market-protected spaces are fragile and require active institutional work, a key question remains regarding how the institutional work in and through market-protected spaces can scale and stabilize beyond these spaces, which in our field setting were temporary and fragile. One mechanism might be practice-driven change (Smets et al., 2012) when new business practices become stabilized in the majority of organizations in a given field. Another mechanism might be through legislative innovation that creates a need for market-protected spaces. For example, requirements to implement the UNGPs could encourage binding agreements in areas such as living wages where the dominance of the market logic stymies action. Further research could analyze various aspects of the multi-level political struggles around creating and maintaining market-protected spaces from an open polity perspective (Waeger & Weber, 2019). For instance, how are the practices developed in market-protected spaces integrated and diffused in organizations? Which structures and strategies allow market-protected spaces to be scaled and stabilized (Mair, Wolf, & Seelos, 2016)? Furthermore, physical spaces like conferences or other field-configuring events play an important role in defining the boundaries of market-protected spaces and in generating new practices. Who can convene such “transaction spaces” (Glasbergen, 2010; Wijk et al., 2019), particularly in opportunity hazy fields (Dorado, 2005; Wijen, 2014) such as global supply chains? Finally, future research could systematically examine why firms adopt different approaches to responsible management, and whether the prevalence of such approaches varies cross-nationally.

CONCLUSION

Our study of a global industry struggling with responsibility issues for decades strongly indicates that we cannot solve market problems with market mechanisms alone. Managers and stakeholders

in this industry have tried to ‘embed’ the market by building a complex voluntary CSR infrastructure, but are now trying to develop a binding alternative that more actively engages with the underlying collective problems at hand. Thinking about the institutionalization of the emerging responsible management logic in terms of placing boundaries on the market logic helps us to address bigger questions about the future of capitalism. With the crisis of capitalism inextricably linked to humanitarian and environmental crises, we see renewed struggles over embedding the market between right-wing and progressive movements (Polanyi, 1944). Protecting labor or environmental standards from the “iron cage” of today’s capitalist market order, which enforces its norms “until the last ton of fossil fuel is burnt” (Weber, 1904/05), can pave a way out of a particular kind of capitalism that has defeated the most vulnerable stakeholders under the banner of voluntarism (Marens, 2012). Constructing market-protected spaces is a multi-level, contested process, the prospects of which remain uncertain. Yet, in areas where society decides that other values should take priority over competition and profitability, market-protected spaces offer a potential means of facilitating such prioritization.

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APPENDIX A

Table A1: Important Events in Germany, UK, Production Countries, and Transnationally, 2012-2019

2012		
September 11	Pakistan	Ali Enterprises fire, killing 258 workers
November 24	Bangladesh	Tazreen factory fire, killing at least 112 workers
2013		
April 24	Bangladesh	Rana Plaza factory collapse, killing 1134 workers
December 14	Germany	First statement of intent to develop a National Action Plan on Business and Human Rights in the coalition agreement
May 15	Bangladesh/ transnational	The Accord on Fire and Building Safety in Bangladesh is founded and signed by over 200 mostly European garment retailers and brands.
June	USA	United States suspends Bangladesh's trade privileges under GSP
July 10	Bangladesh/ USA	The Alliance for Bangladesh Worker Safety is signed by large and mostly US-American garment retailers and brands
July 15	Bangladesh	Bangladesh government amends its Labor Act to improve freedom of association, allow for elected worker participation committees, and raise the minimum wage
July 25	Bangladesh	The Government of Bangladesh and representatives of Bangladesh employers' and workers' organizations sign an integrated National Tripartite Plan of Action on Fire Safety and Structural Integrity in the garment sector.
September 4	UK	UK is the first country to publish a National Action Plan to implement the UNGPs on Business and Human Rights
2014		
October	Germany	Foundation German Partnership for Sustainable Textiles (Textile Partnership)
2015		
26 March	UK	Adoption of the Modern Slavery Act (MSA), stipulating that companies with an annual turnover of over £36 million must produce an annual statement reporting their efforts to prevent slavery. This statement must be signed off by a senior executive with a link to the statement placed prominently on the company website.
March	Germany	The European Center for Constitutional and Human Rights (ECCHR) files a compensation claim against a German retailer at the Regional Court in Dortmund, Germany. The German firm had been the main client of Ali Enterprises.
June	Transnational	Foundation of Action, Collaboration, Transformation (ACT)
2016		

First quarter	Transnational	Launch of the Transparency Pledge by a coalition of global unions, labor rights and human rights organizations, to improve transparency in garment and footwear supply chains
December 16	Germany	The “German National Action Plan - Implementation of the UN Guiding Principles on Business and Human Rights 2016-2020” is adopted by the Federal Cabinet. Voluntarism remains key, but under the condition that until 2020 every second firm with more than 500 employees will have implemented human rights due diligence.
December 11-12	Bangladesh	Garment workers strike in Ashulia, Dhaka, for an increase in minimum wage from \$60 to \$190.
2017		
January	Bangladesh	Bangladesh government crackdown in retaliation for the minimum wage strike in Ashulia, Dhaka.
January	Transnational	The Clean Clothes Campaign along with 26 labor rights groups sends a joint letter to over 20 of the largest apparel brands and retailers asking them to lobby the Bangladesh government to secure the release of labor leaders detained during the Ashulia minimum wage strike, and to introduce a wage board for the garment sector.
February 8	Transnational	The Organization for Economic Cooperation and Development (OECD) launches Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector.
February	Bangladesh/ transnational	Large apparel brands and retailers boycott Dhaka Apparel Summit hosted by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) in response to recent labor issues and repression of groups in Bangladesh.
March 27	France	Passing of Loi de Vigilance
June 29	Transnational	Global unions IndustriALL and UNI Global Union announced a new agreement with major apparel brands to renew the Bangladesh Accord for an additional three years.
July 30	Bangladesh	BGMEA holds Emergency General Meeting opposing the extension of the Accord and Alliance.
Entire year	Germany	German government making sustainable supply chain a topic for the German Group of Twenty (G20) presidency, which focuses on “shaping an interconnected world”
2018		
April	Bangladesh	The Bangladesh High Court places a restraining order on the Bangladesh Accord’s inspection program (though hearing is postponed more than six times).
August 17	Transnational	Thousands of Casiopia Apparels and Garments workers block the highway to demand a wage increase.
March 13-14	UK	One of the leading auditing organizations, Sedex, organizes high-level conference on: “ <i>Defining ‘Beyond Compliance’ in Responsible Sourcing</i> ”
December	Bangladesh	Unions representing Bangladesh garment workers reach a landmark \$2.3m settlement with a multinational apparel brand after it was accused of delays in remedying life-threatening hazards at its factories
2019		

February 20-21	Germany	German Ministry for Economic Development and Cooperation launches high profile event on “Promoting sustainable supply chains: separate accountability – shared responsibility”
May 8	Transnational	“Memorandum of Understanding” signed between the Bangladesh Accord Steering Committee and the BGMEA to establish Ready Made Garment Sustainability Council
May 19	Netherlands	Adoption of Dutch Child Labor Due Diligence Law
December 8	India	43 people die in a fire at a Delhi bag factory

Table A2: Approaches to Addressing Responsible Management Demands: Selected Illustrating Quotes

Aggregate Dimension: Prioritizing the market logic	
<i>Discursive representation: Deflecting responsibility</i>	
Shifting responsibility to other actors	<p>We hope that in the end there’s a type of transparency because of which the consumer realizes that a certain margin of the price for the clothing is due to sustainability. [...] We can’t do that yet. I still remember the discussion around Rana Plaza when some TV-channel interviewed people in front of Primark and told them “Yesterday 1.100 people died at Rana Plaza and Primark produced there”, and the people said, “That’s really sad, but I have to buy clothes somewhere and I don’t have the money”. (MID_DE14_PURCH1a)⁹</p> <p>What the Americans or some of the American firms did as a result [of Rana Plaza], leaving and saying they didn’t want to work there anymore, is somewhat legitimate from an ethical point of view, because you shouldn’t really work in a country as inefficient as Bangladesh. It’s a catastrophe. [...] But well, we’re competing with others, we have to make sure that we can put competitive products and competitive prices on the market. So, you can’t really get around Bangladesh. (DEP_DE18_CSR1a)</p>

⁹ The references to our firm interviews contain information on the market segment or price range of the firm (LOW=low priced fashion retailer, MID=middle-priced fashion retailer, LOWMID=low to middle-priced fashion retailer, SUP=supermarket, SPORT=sports retailer, DEP=department store), the country and firm identifier (UK1-UK10 and DE1-DE10), with which role (CSR or purchasing officer, strategy) the interview was conducted, with the number indicating whether this was the first, second, or third interview with that role at a company, and, finally, the letter at the end identifying the individual interviewee from whom we have taken the respective quote because there could be several interviewees in the same interview or several interviews with one interviewee. Events we attended are referenced chronologically with E1 to E63. References to informal talks (IFT) and interviews with stakeholders (STKH) contain a country identifier (DE, UK, GL for global) and with which stakeholder group the interview was conducted (IMPORTER=import agents, UNION=unions, GLUNION=global union federations, STATE=government representatives, INITIATIVE=multi-stakeholder or business initiatives, , LEGAL=legal actor, e.g., lawyer, EXPERT=industry expert, , NGO=non-governmental organization) with the number indicating different stakeholders within the same group of stakeholders, and, finally, the letter at the end identifying the individual interviewee from whom we have taken the respective quote if we have conducted more than one interview with the same stakeholder.

Denying own responsibility for labor standards	I: If we take a look at the sourcing countries, do you in any way support collective bargaining there, in Bangladesh as well as in other countries? R: Difficult. We would do it if we knew which means we had. [...] But it's...generally we are willing, but it's just almost impossible to practically implement, at least at the moment. (MID_DE11_CSR2a)
	The question of who is responsible hasn't changed. German NGOs or I'll say western NGOs point their fingers at retailers, which is a weird way of looking at it in my opinion. It's hard for me to understand. (DEP_DE18_CSR1a)
Hiding behind competition	Overtime is always an issue. It's not just their fault it's ours as well. If we want more orders in an increasingly short time period and the material is delayed by two days, but we don't allow for a later deadline because the retail market doesn't permit it at that moment, overtime is really the only way to compensate for that. [...] That's the way things are. [...] And we can't pretend it's not. (MID_DE14_PURCH1a)
	Many consumers ask us "How can you import from Bangladesh?" The answer is, "We have to. As long as others are able to source from there the market forces us to source from there as well." (DEP_DE18_CSR1a)
<i>Organization level: Implementing baseline CSR standards</i>	
Managing reputational risks	One of our tasks is to identify new suppliers together with the agency to control the channel and risk mix through strategic control. That doesn't mean 80 percent in Bangladesh, but it's capped through risk protection – what's the maximum percentage I can do in Bangladesh and still be protected. (MID_DE14_PURCH1a)
	Of course, there are risk countries and of course Bangladesh is one of them. And, therefore, the attention you direct to these countries is of course greater than if you produce in Poland [...]. You wouldn't monitor as closely as in Bangladesh. (MID_DE11_PURCH1a)
Defining minimum compliance standards for suppliers	Let's say you have to be very careful what you actually demand from them. If you demand a guarantee you're going to fail. They sign everything that doesn't fall off the table, but they can't guarantee it [...] you're going to be lied to. [...] If you buy a used car and say "You have to guarantee its flawless." It doesn't work that way. No matter how strict you set your standards, if you look at social audit reports you're always going to find faults that are sometimes more and sometimes less grave. [...] Like I said we have it written in our purchasing conditions that the code of conduct has to be passed through and the implementation conditions have to be known everywhere, have to be put up in every country of production, but we can't control it, because we're not sure how to we're supposed to monitor it at the moment. (DEP_DE18_CSR1a)
	I: How influential would you assess the CSR department in terms of the overall corporate strategy? R1: Well, I think the most important aspect in our house of strategy is: the product is the leader. Because the brand cannot survive without the product. Therefore, we certainly strive to develop the best possible strategy for the products, the best possible consumption strategy, the best possible purchasing strategy. And that's where I assert my influence with my CR strategy. So, I would say the product and sales are top priority and purchasing, sourcing, and CSR thereafter. (MID_DE14_CSR1a)

<i>Field level: Avoiding field-level commitments</i>	
Joining business-led CSR initiatives	We're a member since 2010. Of course, BSCI is a company-driven initiative which simply meets or met our requirements best at that time. But overall, it still is. You also have the best lever. Since it's very big and has a lot of members, you have greater synergy effects, many suppliers are already audited, you can join forces. (MID_DE11_CSR1a)
	That's a lot to do with us using the BSCI database, I'm not sure if you've heard about it, they have their own database that's accessible over the internet for their members and only their members and the database manages all of the audit data, address data that are behind it and it also has this kind of – how should I say this – reminder function – “this audit is expiring, please make sure to get a new one”. [...] So, to be clear, we don't have to manage, follow, control, and collect data in our own systems as well. That is all available on the BSCI platform and that makes it very easy for us and I think that at the end of this year we'll actually have all manufacturers audited by BSCI standards for the first time. (DEP_DE18_CSR1a)
Lobbying against binding regulation	During an expert hearing on corporate responsibility, organized by the Green Parliamentary Group, a representative of the Federal Association of German Industry argued that the expectations of German non-governmental organizations on corporate regulation were “unrealistic” and “far too high” and that insisting on binding law was wrong because the market would be effective in preventing corporate fraud and misbehavior (resulting in laughter from the audience and members of the Green Parliamentary Group). (E27)
	Dr. Hans F. Kruse, vice-president of the German Federation of Wholesale and Foreign Trade and Member of the Board of Directors of the German Federation of the German Export Trade argued in his opening keynote for the German Foreign Trade Day that “corporations are overburdened with this task” [responsibility in the supply chain] and that they need support. (E4)
Aggregate Dimension: Accommodating responsible management within the market logic	
<i>Discursive representation: Acknowledging responsibility</i>	
Recognizing retailers' role in causing labor abuses	What we've done on a more pragmatic levels is we've engaged people like the ETI to do cross business training and awareness, so we've actually talked to the buying structures in conjunction with the ETI coming to do training courses around what impact buying decisions have on ethics within the production base to make people consider and think more carefully around how they interact with suppliers and commercially, what we're asking for [...], is that going to have an impact on ethics? (LOWMID_UK13_CSR1a)
	[...] and they [suppliers] also say that the way we behave can make it difficult for them to become compliant in some cases. But for that reason, we also work with our internal teams, so they are more aware of what they do and how it can influence the supplier. And you can actually influence a lot without always thinking only about prices. (LOWMID_DE8_CSR1a)

Engaging with critics	I think that they [purchasing colleagues] are all aware of it, we do talk about it. It's constant, I suppose it's reminding buyers what are the implications. You're asking if they can ship that two weeks earlier, how do you think it's going to happen? [...] It's just a constant kind of reminder. (LOWMID_UK9_PURCH1a)
	I think again it's always a people piece because it depends on the NGO, so you get implementing partners working on the ground who are fantastic, very supportive, very engaged in the issue at hand and are actively making a difference because the person involved in that particular NGO, it's part of their values and their morals and that's what they're endeavoring to do. So, if you can align with that, then you can unite together and move it forward. (SUP_UK1_CSR1a)
<i>Organization level: Formalizing CSR procedures</i>	
Granting CSR managers veto rights	I: And if there are conflicts, so purchasing would like to have one factory and you another, is there a formal regulation for handling that? R: Well, the decision which supplier to work with lies with purchasing. We don't decide that. We are included in the way that we have a veto-right, I'll say, insofar that we can say "the supplier doesn't meet our requirements, he won't do". (SUP_DE3_CSR2b)
	That's also part of it and monitoring, to always be hands-on there and to understand and to track whether the supplier has actually implemented the audits according to the standard which we prescribe and if the results are not sufficient, we can start a conversation in order to improve it [...]. Because if we're not interconnected with purchasing, we make a decision and the buyer either doesn't know anything about it or he's maybe not interested in order to get the best price, this won't influence the supplier's decision to actually improve these findings and for that reason it's very important that we work in the same management department and we can put in a veto for production facilities, for suppliers because he does not comply with certain requirements and he experiences that we're serious about these issues. (LOWMID_DE2_CSR1a)
Building information systems around CSR	It [the procedure to onboard suppliers] has changed, we have more automated-based systems now, and that's again in line with how our business has increased generally [...]. We've put more automated practices in across the business and that's included within it. [...] So, part of the piece mentioned around, you can't raise an order unless it's an appropriate supplier? You couldn't do that anyway, but now there are more robust procedures in place, I suppose. It's just, as we've invested in systems to match the business, we've made sure they are robust and future proof from an ethical factory integration point of view as well. (SUP_UK1_PURCH1a)
	What we have done is set up the system so that when corrective action plans come in, each line of non-conformance is inputted into the system. Rather than a PDF file that gives you a grade, every single NC [non-conformance] that is found is identified onto the system. Therefore, let's say you have got two minor and three major issues, but they are all to do with fire safety. Individually, it's not going to impact our requirements because they could be quite small issues. But, actually, collectively, it means that they have not got a good understanding on how they manage fire safety or a particular area of fire safety. [...] we can then start to pick up that they have got something missing in their understanding. (SUP_UK1_CSR1a)

<p>Seeking win-win through CSR</p>	<p>We do have suppliers we've had in our portfolio for years; some might not have been in there for that long, but we're not known for supplier hopping. Because every new factory, every new supplier costs the company money. That doesn't mean we don't look around at what's possible and what kind of suppliers there are and of course we have to keep our options open, but you always need to consider the cost that comes along with a new factory and a new supplier. [...] We want strong partnerships because they are a win-win. (SUP_DE12_PURCH1a)</p>
	<p>We are convinced that especially in the face of always increasing competition in the market, sustainability as an additional quality promise and differentiating feature has a growing influence on the purchase decision and, in the medium term, will shape customer loyalty and satisfaction decisively. What is particularly important here is an authentic, dynamic and always self-reflective approach with scope for innovations and current market developments. (LOWMID_DE2 Sustainability Report, 2015/2016, p. 8)</p>
<p><i>Field level: Supporting voluntary industry standards</i></p>	
<p>Forming/joining multi-stakeholder initiatives</p>	<p>I think they've [ETI] played a real pivotal role in the last 10 years. I think that, as a business who's starting on the journey, they can offer a lot of support and guidance. I think the opportunity to meet, mix and network with other people in the same roles within industry is vital. I think it offers a real, a good platform for everybody to get together and share experiences and knowledge. (LOWMID_UK13_CSR1a)</p>
	<p>I think a lot of the joining of the ETI there, because it's a commitment, it's a financial commitment, not just fees [...]. There was an appetite, I would say, at all levels. But there was also an element of me saying, "Well, how do you know what's going on? We need to do this, we need to do that, and to do this and that we've got to join this, have this resource." (LOWMID_UK9_PURCH1a)</p>
<p>Engagement in certification and capacity-building</p>	<p>I think mainly capacity building and trainings are needed for the suppliers. I think that the Accord is also on a good way, also in terms of the next phase when more emphasis is put on this worker participation committee, so the workers in the factory are represented, and also supplementary programs, the ETI had another program in Bangladesh recently. I think this is quite a good approach in order to raise awareness for the topic and to increase the suppliers' ability to know and comply with the standards. (LOWMID_DE8_CSR1a)</p>
	<p>I: You just said that assuring something like that is very important for the supplier to be able to make certain investments. Does it have an impact on the price as well? Do you tell them: 'Okay, we'll pay more if you improve this'? R: No, not directly, because it's hard to transfer. It's hard to transfer to the product because we don't utilize the factories' full capacity. If we're using factories' full capacity and they conduct building measures it might be transferable. But it's hard to calculate and that's why we go the route of supportive measures – like the consultant on site who accompanies the factory one on one – which we pay. (SUP_DE3_PURCH1a)</p>
<p>Aggregate dimension: Prioritizing responsible management in market-protected spaces</p>	
<p><i>Discursive level: Shaping a new meaning of responsible management</i></p>	

Admitting limits of unilateral and voluntary CSR	I think when you think about it, there's always quite a lot of focus on what a brand should be doing, or could be doing, but actually when you look at many of the broader issues, one little brand, however big it is, is going to be like a drop in the ocean, because most of these countries are producing not only for the export market, but for the domestic market as well. (LOW_UK7_CSR1a)
	Everything we do now is just a private corporation enforcing labor law and with the wrong tools to enforce labor law. And frankly, I don't think anyone wants multi-national corporations in charge of law enforcement. But since that's the only we have, that's the only tool we use. So, we still aren't at the point where we have this other tool we can rely on, but we are getting closer. And that's the shift of the last five years, steps in that direction. (MID_DE7_PURCH1a)
Redefining CSR in terms of human rights	I think the ETI base code is a... I mean, it's an audit standard. If you look at the ETI base code, the problem has been that there has been no focus on...if you look at enabling human rights, the shift, the UN guiding principles have had a massive impact. That's what's been the real difference because suddenly, what's happened is that instead of it being an audit standard [...], now it's about human rights. [...] you have to show you've done due diligence. If you're going to do due diligence then you have to have a lot more processes in place, you have to take it seriously. And also, there's no point in looking at child labor if you're not going to look at enabling human rights. So freedom of association, gender, wages, those are the three issues that you have to look at to be able to allow all the other standards to be implemented. Unfortunately, there's still a long way to go on freedom of association. (MID_UK2_CSR1a)
	In today's world of global markets and complex supply chains, connecting a multitude of protagonists with different cultural backgrounds, development and social structures, the participation in international trade relations offers good chances to create development, economic growth and social stability for all involved. Using these chances to the benefit of the people cannot work without the safeguarding of Human Rights as one of the key elements. (LOW_DE1 Human Rights Policy, 2017, p. 1)
Defining labor standards as pre-competitive	Working in partnership with others pre-competitively is vital to addressing risks of modern slavery, particularly further up the supply chain where our direct commercial influence may be less significant. (MID_UK2 MSA Statement, 2018/19, p. 13)
	We can't compete on human rights. (E35)
<i>Organization level: Shaping new core business practices</i>	
Contesting core business practices	From a labor standards point of view, obviously, if we could always pay people more, then that would be ideal. But then you can't be competitive, and you can't sell anything because you're more expensive than everybody else. Then actually those people don't benefit in the long run, so it's got to be – the jargon we use is sustainable affordability, so trying to balance that is something that has to be discussed now and again. (SUP_UK3_CSR1a)
	We recognise buying practices are a problem. We are going to start to look at that, and we are going to start building into that. (E40)
Aligning responsible	Sustainability is directly reporting to global sourcing [...] I think it is better to join forces in this way, because at the end of the day, the key to bringing the pressure and to force for the suppliers; to achieve and to give the appropriate frameworks for the workers in the

management demands with core business functions	companies can be definitively delivered by the buying team, because they have the key for many things, right? And the cooperation with the social compliances is always there and is very much requested from our side. (MID_DE7_PURCH1a)
	And I think CR and supply chain have got more and more opportunity to align, to combine, and to integrate. CR is a hugely important and increasingly important focus area. But I would like to see more of the language of it being – it’s less separated, it’s less disaggregated; it’s more combined, it’s much more together. And a supply chain requires sustainability. It requires a responsible attitude to its partnerships. And these things are absolutely – should be – absolutely symbiotic, you know? And I think the supply chain has a very important role in the application of good CR policy and principle. CR is the conscience, the brain – and the supply chain is the engine. And I – that’s how I think the relationship will develop. (SPORT_UK5_STRAT1a)
<i>Field level: Developing a binding regulatory infrastructure</i>	
Lobbying government for stricter regulation	And I think governments have a responsibility to govern. They need to lay out ambitions and targets which people can relate to, and which matter. And ethical trade, modern slavery, living wage – these are societal things which industry can’t do on its own – won’t do on its own, either, to be fair – so I think governments should compel industries to be a little bit more assertive and a little bit more demanding of them. (SPORT_UK5_STRAT1a)
	Well, I am a proponent of the view that voluntary self-regulation is not enough, we rather need a reasonable, business-friendly form of regulation. And that’s a matter of politics and nothing else. (LOW_DE1_CSR1a)
Forging sectoral agreements with unions	[...] moving the market alone is impossible [...] if we can establish nationwide collective bargaining agreements, that’s a way forward. (MID_DE7 at E17)
	ACT aims to formalize the role of trade unions within industry-wide collective bargaining, ensuring that trade unions play a vital role in receiving and addressing grievances both at the operational and industry level (LOW_UK7 Modern Slavery Statement, 2018, p. 8).
Engaging in committed collaboration	So I think that’s something we’ve all learnt. And we’re all sharing the same sites, I think that’s the other thing that historically, a lot of people say, “Well we do things differently.” Or “Our prices are this because we do this.” A bit of a smoke screen or a suggestion that retail price is an indication of ethics and actually, in reality, we know we all share the same factories. (LOW_UK7_CSR1a)
	And from then on, it’s just been collaboration with all the brands working together because no one can do this alone and that’s why I believe that if industry gets together and works at a more collaborative, higher level, it will have more impact and help influence the government more to get more enforcement and resource for what’s needed [...]. (DEP_UK4_CSR1a)

Table A3: The Institutional Work of Constructing Market-Protected Spaces: Selected Illustrative Quotes

Concept	Illustrative Data
<i>Conditions for institutional work</i>	
Focusing events and contestation <i>(new basis of attention)</i>	The working conditions in the textile industry are bad. We all knew that! The people responsible also knew it. I have to say the Clean Clothes Campaign delivered so much information that no one can say: I didn't know about that! [...] But I would say the big starting point was Rana Plaza. That has to be... or actually, if you will, the catastrophes before that. Ali Enterprise, Tazreen and so on, but where there was no way back, so to say, was Rana Plaza. (STKH_DE_UNION3)
	And you know it, well literally, I mean we had been doing fire safety trainings you know since, I think since January of that year, we started doing fire safety trainings after Ali Enterprises and Tazreen. And you know, so there was a bit of urgency around it, we knew that there was a problem in Bangladesh and then Rana Plaza collapsed and we knew that the problem was big, but we didn't know how big. And that informed everybody's decision to join [the Accord]. (MID_DE7_CSR1a)
	So, I mean it was appalling. We felt it with deep regret, because the work had started properly, but it [Rana Plaza] really [...] was a game changer and a realization that we were lucky. It could have been us. It could have been our labels that were in that building, not Primark's. (MID_UK2_CSR3b)
Shadow of the law <i>(international standards establishing new sources of legitimacy)</i>	To go back to the Modern Slavery Act, I'm going to talk about it from a retailer's perspective, this regulation has really, I would say, helped in widening the conversation within the organization, so I've been appointed the modern slavery officer, within the business, which then means that I have to set up a committee which involves HR, retail, operations, marketing, so across the business you have various contacts even within your cleaning staff, who are cleaning in your building. Who is working in your warehouses, your models, your photography contracts, so people have never applied the lens of human rights within those relationships or within those contracts. So for us, it's sort of like widened the lens, across all parts of the business. (E21)
	I guess at [UK5] we've always tried to do things to a certain level and some of the pushback that you sometimes get from other parts of the organization is when you have competitors who are not operating at the same level.... Government legislation lifts everybody up to a certain base level. It makes it a much more even playing field. (SPORT_UK5_PURCH1a)
	It [the UK Modern Slavery Act] has interestingly been really influential in driving the conversation with companies. Because it has required CEO, senior director engagement and sign off, because it has got the legal people involved, because it is a public statement that needs to be posted I think they've suddenly taken note and the ethical trade people that we normally deal with have got a huge amount of traction internally. [...] So it's really been a foot in the door from a number of perspectives and has driven change. You know people talk about game changer but I think it has been a bit of a game changer in terms of seriousness with which companies are now recognizing their need to take this and getting buy in and even getting more resource in for some companies. (STKH_UK_NGO1b)

Strengthened market-restraining actors <i>(new sources of authority)</i>	But I think for me, when I think back to Rana Plaza and this is work to be done, is whatever the circumstances, if we had had a situation in any of those factories, if we had had trade union representation in those factories and those workers had had a voice, in order to flag up the issues that they started to see, then it might have been different. Which is why we now want to collectively work with the trade unions on how we can start to give workers a better voice, whether it's through the trade unions, ideally, but there's got to be a journey there, and I think what we're all learning is now, what does that journey look like to support better worker representation in factories. (LOW_UK7 at E21)
	[...] what's in this [the Accord] really is not just Rana Plaza, and improvements in Bangladesh, but the idea that a global union could work with a global industry, recognizing that the only way to drive improvements in this industry is going to be working together. (STKH_UK_NGO1a)
	I think you could safely say that the role of the GUFs has increased [since Rana Plaza], and their ability to influence events and effect change has been greatly enhanced by the way they reacted to that disaster positioning that followed. They're now very useful partners in all this. (STKH_UK_UNION1)
Strengthened progressive CSR managers <i>(new sources of power and status)</i>	And so if you look at the field now, since Rana Plaza you're gonna see there is a lot more innovation, a lot of percolation, a lot more collaboration, you know and people are trying new things because we know that the old way just wasn't working. So you know that's the first change that Rana Plaza made. I'm on the Steering Committee of BSCI and I don't know if you saw that we just signed MOU to cooperate with Sedex. (MID_DE7_CSR1a)
	[...] the UN Guiding Principles [United Nations Guiding Principles on Business and Human Rights] have had a massive impact. That's what's been the real difference because suddenly, what's happened is that instead of it being an audit standard [...], which you can just tick off, now it's about human rights. Human rights opens the door for a lot more, you have to show you've done due diligence. (MID_UK2_CSR1a)
	One theme is fire protection, because this is a question of resources. The purchasing department would rather prefer to have more suppliers, the CSR department instead wants to keep this number limited to attend to their duties, otherwise control would be no longer possible [...]. [...] Since Rana Plaza, there is a greater understanding in the sourcing department that the number of suppliers can't be further increased, since the supplier monitoring is already very complicated. (LOW_DE1_CSR1a)
<i>Core mechanism</i>	
New meaning of responsible management <i>(search for alternative templates)</i>	This is less about a competitive edge, from one retailer to another, this whole issue of human rights needs to be pre-competitive and I think we're all getting into that space. And this is where we now start to see activities on the ground that have real impact like the Accord, in Bangladesh. (LOW_UK7 at E21)
	That's why the freedom of association piece, the gender piece is really important. You know, if 85% of all garment workers are women, why isn't ETI, all the brands, etc., why haven't we all got in every single program a gender program? I mean, at the moment, if you look at the gender programs, they're, "Oh, we'll teach the women how to wash their hands," or, "We'll teach them how to wash their..." do you know what I mean? It's not... it's bloody ridiculous, absolutely ridiculous. Sorry... but that's

	<p>something, again, we raise it, we're doing our own stuff but we'll also take it to ETI and we'll say to them, "This is an issue. What are you going to do because without collaboration we can't move forward?" And we look at the Accord and say, "Look at what the Accord has achieved." Surely we should be replicating that. (MID_UK2_CSR1a)</p>
	<p>A representative of a global union during a panel discussion responded to a question on what auditing would have to look like in the future that what was most important was that workers are included as they are the ones knowing the conditions and suffering from bad conditions. (E28)</p>
<p>Binding regulatory infrastructure (<i>new basis of norms and strategy</i>)</p>	<p><i>New basis of norms.</i> If a company would do this [Accord] alone, this company would be afraid that: "Oh, we invest money in something where my competitor doesn't invest money. Then I probably have a competitive disadvantage and my competitor can offer the leggings for 3,99, however I would have to offer it for 4,50, so I'm losing market share and I have a disadvantage. I'm just saying that now, that all the "major buyers" are involved, everyone is doing it, everyone has to spend money for it, and no one has to have the fear of being disadvantaged. And that's why it works! And it can work out like this. (STKH_DE_IMPORTER1)</p>
	<p><i>New basis of norms.</i> [...] we're going to do it [promote industry-wide bargaining] together because it's a 50/50 – it's like the Accord – it's a 50/50 arrangement. We have a foundation that we've set up called The Act Foundation, and that is controlled 50/50 by us and the brands. It's a completely joint union-management initiative. (STKH_GL_GLUNION1a)</p>
	<p><i>New basis of strategy.</i> Well, it was intrinsic in the Accord anyway that you have to always keep the volume stable for at least two years and of course that's exactly the... we understand every supplier that says, "Yes we'll build everything according to your wishes and then you're gone tomorrow", of course as a first step they want supply commitments and all of that. We arranged all of that where it was necessary [...]. (LOW_DE1_CSR2a)</p>
	<p><i>New basis of strategy.</i> [...] they're trying for this sort of level playing field approach but from a different angle. So they're saying if you have industry collective bargaining everyone who is operating there is going to have to abide by that potentially. (STKH_UK_NGO1b)</p>
<p>Changed core business practices (<i>alternative mechanisms of control</i>)</p>	<p><i>New informal control mechanisms.</i> Some people argue for transparency for transparency's sake. We tend to say, "If you, for example, map and publish your supply chains, we can work out: are there unions present? Are there unions in the area that could support any workers in that workplace to develop a union presence?" etc. We can't do that if we don't know where anything is coming from. All of the ETI members, for example, are pledged to respect freedom of association. Therefore, if they give us information about workplaces and we can support any workers who want to join or set up a trade union presence, then the brands ought to be supportive of that, according to the commitments they've already made. It's a really good opportunity for the far end of supply chains to get genuine worker representation sparking. (STKH_UK_UNION1)</p>
	<p><i>New informal control mechanisms.</i> The sky is not going to fall on our heads. There is not a competitive issue or whatever, there is now a real push around transparency, there has to be. The thing with transparency is that if there is no transparency, there's</p>

	<p>no accountability. And if there's no accountability there will never be change, right? Now brands haven't been transparent because they don't want the accountability, ultimately. (MID_UK2_CSR1a)</p> <p><i>New formal control mechanisms.</i> ACT, helping us to critically examine our purchasing practices to make sure that if we're not helping the situation, at least we are not making it worse and that's something we can do that will move things forward and that's what made this project compelling. Finally, just the fact that it's time, again this issue [living wages] has been hanging there at the bottom of the agenda, not the last item on the agenda but fairly close to it. It's been hanging there for 20 years and I think it's time that we figure out how to do something about it. (MID_DE7 at E17)</p> <p><i>New formal control mechanisms.</i> We believe that good sustainability performance should be incentivized and rewarded. This is why every six months we evaluate our suppliers' sustainability performance using both social and environmental criteria and we assign each supplier a score using our vendor scorecard. Our buying teams consider this score as part of their decision-making process when selecting which orders to place with our approved suppliers. (MID_DE7 Sustainability Report, 2017/18, p. 36)</p>
<i>Consequences of institutional work</i>	
(Temporary) suspension of the market logic on selected issues	<p>[...] and what is more is that it [the Accord] is enforceable, it's suable. That's the crucial advantage. That's also... there are two main reasons why multi-stakeholder-initiatives in Germany, Holland or elsewhere in the global North are "out." Since 15 years so to say, 15 years too late in fact. One reason is that the actors from the production countries only play a minor role [...]. [...] And the other thing is the enforceability. (STKH_DE_NGO1)</p> <p>So there is enough learning I think now from the Accord, which may be individual companies, if they want to, but actually, probably better, a collaborative approach across companies, can actually now implant into other markets where there might be similar risks. (IFT_UK_INDASS1)</p> <p>If you look to other parts of the world, in other industries, you can see the benefits of having an industry-wide agreement because then you're creating the level playing field, then you're saying even if you're a brand that's not part of ACT, you will still be required to play by the same rules. The difficulty with working only with lead brands and their own supply chains is that they can't step far out of the norm and still be competitive because there will be other brands that don't care and will be driving down wages and conditions in an anti-competitive way. That explains why the brands are so interested in this because it forces everybody to abide by higher standards rather than sucking everybody into a race to the bottom so they compete up getting the cheapest price and the lowest wages. That's why we need a system like this, and without it, we're [...] trading water. (STKH_GL_GLUNION1a)</p>
Prioritizing responsible	<p>Whereas what the Accord did is it said "Actually, instead of waiting for something bad to happen, what are you going to do to make sure something bad doesn't happen?" And that is the important piece because ultimately, the reason why brands source from these countries is because of weak regulations, cheap labor, etc. And what it did was put everybody in direct conversation</p>

management on selected issues	with a global union that could at least ensure that the workers' needs and voices were first and foremost. There was an equal voice from the workers, not just the supplier, not just the brand... (MID_UK2_CSR1a)
	Well, the number one achievement [of the Accord] is to make the factories safer, and this is the first thing that has really had any impact whatsoever on that. Just the whole fact of the Accord is an incredible achievement, that it's inspected over 1,600 factories, put in place corrective action plans, and even though remediation progress is slower than we would like, nevertheless, some incredibly important safety work has happened, and there hasn't been any deaths. (STKH_GL_GLUNION1a)
	The huge positive impact of building electrical and fire safety that the Accord has done and put together and the inspections and I think the work that's being done is absolutely immense, absolutely just brilliant. There's still a lot of remediation to do but everyone's so joined up and the industry has now seen and felt the benefit of actually doing this work and the workers too feeling, hopefully, in a better position. (DEP_UK4_CSR1a)
Resistance and pushback	[W]e have managed to keep procurement prices constant despite inflationary effects and we are still the cheapest provider – whether you consider this to be positive or negative will remain an open question. So that means that the business model needs to constantly identify savings opportunities, within the product and within the process. (LOW_DE1_CSR1a)
	The market in Germany is very tough because it has not grown while new competitors (Zara and the like) entered the market. Suppliers in Bangladesh do not necessarily understand this. (IFT_DE_EXPERT2)
	Yes, I think it's not unique to our company, it's quite common. Obviously, the buyers are targeted to achieve a certain price. They have delivery dates they need to hit and then obviously, in terms of what we're trying to do, I think in the past we were seen as a barrier for them to achieving that. (DEP_UK4_CSR1b)