

THE ROLE OF CSR GUIDELINES IN LABOUR CONDITIONS OF SUBCONTRACTING PROCESSES WITHIN THE CONTEXT OF A NEW INSTITUTIONAL PERSPECTIVE

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Abstract

This paper concerns itself with the role of CSR Guidelines as a myth in the structures of regulation, consultation and control in a subcontracting process. The paper presents an in-depth illustrative single case study with embedded units of ethical issues in the subcontracting process that exploits casual workers in the public major project of the Berlin-Brandenburg Willy Brandt Airport [BER airport] from the viewpoint of a new institutional perspective of CSR myths. It examines how stakeholders including politicians, trade unions, workers and employers deal with the moral hazards and the 'decoupling' process of regulations and action in subcontracting processes and temporary labour migration in large construction projects in an industrialized country. With the observation of a shift of responsibility further down the value chain, it concludes with the exploration of the emergent issue of the role of CSR and recommendations for actions related to CSR Guidelines in subcontracting processes.

Keywords: CSR myths, new institutionalisation, employment relations, behaviour, case study research, subcontracting process.

Introduction

A year after the European sustainable development strategy was published, Germany's federal government announced their own sustainable development strategy and the German corporate governance codex in 2002. Ever since, the German government submits regularly progress reports on these issues. The reports recommend among others, the need for a better implementation of corporate social responsibility [CSR] into the structure of companies as well as in public administration, in order to provide more transparency and credibility to CSR and optimise respective political frameworks [Bundesregierung 2011]. In October 2010 the Federal Government came out with a strategy for CSR. They set various milestones, out of which two milestones were particularly significant for the case study presented in this paper. One milestone was to consider the idea of responsible corporate management in scope with more focus on small and medium scale enterprises. The Federal Ministry of Labour and Social Affairs launched from 2007 until 2013 a program called "Social responsibility in small and medium scale enterprises". It is a nationwide offer in skills training on CSR for small and medium-sized companies. The idea is to present guidelines that companies can use for responsible corporate governance. Another milestone was to integrate sustainability aspects into public procurement processes. In 2011 the Procurement Agency of the Federal Ministry of the Interior became the competence center for sustainable public procurement. The primary task of the competence center is to inform and to train procurement authorities of federal, state and local governments to have sustainable public procurement practices [Kompas Nachhaltigkeit 2012].

Beside the CSR activities initiated and supported by the German government in addition to the stringent employment rights, labour laws and regulations in Germany, ethical hazards manifested in a project owned by the German Government. The case of Berlin-Brandenburg Willy Brandt Airport [BER airport] demonstrates on the one hand, the extent to which these normative approaches of responsibility milestones are often contradicted in reality, and on the other hand, the extent to which 'decoupling' institutional regulations relate to concrete action. Thus this article aims to achieve the following: Firstly, it seeks to show how formal rules have been decoupled from actual work and how informal non-conforming behaviour has been systematised. In this respect,

a thorough analytical single case study with results of a questionnaire from key stakeholders at the BER airport have been presented. Secondly, this paper strives to address and provide an answer to the following research question: What is the role of CSR Guidelines in subcontracting processes? This work seeks to contribute to a clarification of the CSR myth in a practical context, by examining a pattern of ethical non-conforming behaviour embedded in a new institutional theoretical framework.

Theoretical Context

New Institutional Perspective on CSR Guidelines

New Institutionalism [DiMaggio & Powell 1983; Meyer & Rowan 1977] provides a macro-sociological perspective for understanding the correlation between organisations and their institutional environment, taking into consideration the legitimation and reputation of an organisation [Hiss 2005]. Scholars of New Institutionalism dispute that mimetic, coercive, and normative forces lead many organizations to adopt organizational forms and policies that are considered legitimate in their fields (DiMaggio and Powell 1983; Meyer and Rowan 1977). New Institutionalism provides a helpful theoretical framework for understanding the 'decoupling' process of normative rules and the role of an integrative CSR myth along the value creation chain.

Organisational structures are surrounded by, and confronted with institutional rules. There are rules that function as myths and can therefore be taken for granted irrespective of whether the rules are efficient or not [Meyer / Rowan 1991]. "Compliance occurs in many circumstances because other types of behavior are inconceivable; routines are followed because they are taken for granted as 'the way we do these things'" [Scott 2001:57]. From a normative perspective, decisions and actions of actors are results of institutional myth; therefore institutional changes are carried out in large part through the adaptation of their institutional environment [Schulze 1997, Scott 2001]. Myer's and Rowan's idea is that through processes of isomorphism of organisational formal structures with institutional rational myths, organisations legitimise their existence as modern and rationalised organisations. This approach of conformity in reflecting on the myths of their institutional environments instead

of the demands of their work activities can reduce their efficiency and therefore reduce legitimacy [Meyer / Rowan 1977]. Meyer and Rowan [1977:356f.] propose two solutions, namely: 'logic of confidence' and 'decoupling' to protect their efficiency and still be legitimised by their surrounding. 'Decoupling' means organisations protect their legitimization by dividing elements of the formal structure from each other, thus building gaps between formal structure and actual activity. Their actual activity is then protected by minimum control, evaluation and inspections and structural units are handled informally. "Thus, decoupling enables organizations to maintain standardized, legitimating, formal structures while their activities vary in response to practical considerations" [Meyer / Rowan 1977:357]. With the help of the "logic of confidence", the organisation can reckon with the assurance that the internal and external stakeholders are acting in good faith of the myth in maintaining their organisational reputation. In reality, they only act to a certain extent to integrate the myth into their formal structure having profit and efficiency in mind [Meyer / Rowan 1991]. Rowan and Meyer explain the interdependence between organisations and their societal environment through their theoretical approach of macro-sociological point of view with reference to norms, expectations, and ideals of the institutional environment. Institutional rules are drawn with respect to moral norms or ethical codes and guidelines like the CSR guidelines being dominant or not in the daily work behaviour. From the perspective of Meyer and Rowan [1977] CSR guidelines can be seen as institutionalised myths [Hiss 2005]. There are many national and international CSR guidelines like the UN Global Compact, OECD Guidelines, Global Reporting Initiative (GRI4), ISO 26000, the ILO Tri-partite Declaration of Principles on Multinational Enterprises and Social Policy established together with different stakeholders including politicians, NGO's, Organisations and Corporations. These CSR principles are not legally binding, but give recommendations for responsible business conducts. Organisations which comply with CSR guidelines by changing their organisational formal structures towards it receive a good reputation and can play a central role for their sustainability. This approach may be replicated by other organizations without resorting to its use on the basis of purely strategic and effective constraints. Such adaptation processes leads to isomorphism with the institutional environment, which increases the probability of survival [DiMaggio/Powell 1991]. CSR Guidelines are used as controlling elements in value creation chains of organisations [Scharfman et al. 2004]. They are supposed to

be the normative frame for implementing sustainable developments. In case CSR guidelines do not go hand in hand with the need of an organisation, organisations normally 'decouple' the myth or/and use the 'logic of confidence' to prevent structural contradictions [Hiß 2005]. The conflict arises due to the fact that different powerful stakeholders in their institutional surroundings have inconsistent expectations [Meyer/ Rowan 1977]. The solutions of 'decoupling' and the 'logic of confidence' provide the main approaches in dealing with the institutional myth of CSR guidelines. This is done by choosing codes of conduct which are not precisely defined, having little or no monitoring on CSR aspects, and by separating their real work in their supply chain from their formal structure of code of conducts and using CSR as a marketing tool to look responsible on the surface while remaining legitimised in their social surroundings [Meyer/Rowan 1977, Hiß 2005]. The challenge for companies is to know where and how the CSR concept can be usefully integrated in the corporate strategy, management tools and in the value creation chains as well as having it integrated into various core business processes [Loew & Brown 2006]. New Institutionalism can therefore contribute to an explanation in terms of the process of legitimation between an organisation and the interdependence of their social environment, highlighting the effect of new and important practices in the supply chain.

For a more detailed discussion of the role of CSR guidelines and the reputation and legitimation of the behaviour of organisations, an analysis will be undertaken into moral hazards and social inequalities of temporary migrant workers. This is in order to further understand the deficiency between institutional rules expected by the organisational surroundings being theoretically propounded but not fully practically implemented throughout the value creation chains ['decoupling'] as well as the role of CSR guidelines seen as an integrative myth. The approach is thus to connect the main structures: regulation, control and consultation in a value creation chain on the basis of integrating CSR regulations in all three structures.

Methodology

In the following section an illustrative single case study with embedded units to answer the research question will be provided [Yin 2003]. Case studies can highlight various aspects of the manifestation of inappro-

appropriate behaviour and provide detailed information on the phenomena. Case study research was used as an inductive tool, in the attempt to shed light on the specificity of the phenomenon and gain a deeper understanding of the fraudulent aspects in subcontracting processes surrounded in a legally protected environment. Even though a case study does not allow generalisation connecting the case study with quantitative studies with the same phenomena of salary fraud, it still makes it possible to construct an explanation for the phenomena and the role of CSR Guidelines as an integrative myth. The research was based on qualitative interviews and analysis of primary and secondary sources, such as qualitative semi-structured interviews, internal documents of the Confederation of German Trade Unions, Documents of the BER Airport, contract of employment of a Hungarian construction worker, reports of the counselling office for posted workers sent to Berlin on salary fraud, a list of mobile migrant workers at the BER Airport deceived by their employees, pictures about living conditions of workers, principles of business ethics by the BER airport, information through an internal Confederation of German Trade Union mailing list, one reportage as well as existing literature, reports and publications by social partners and policy makers. Thirteen comprehensive and semi-structured interviews were conducted and documented. This commenced with the director of the Confederation of German Trade Unions Region Berlin, followed by a group interview of three employees working for the counselling office for posted workers at the Confederation of German Trade Unions Region Berlin. Three single interviews giving insight into the case of salary fraud of a particular Hungarian. Further interviews were conducted with an employee of the counselling office for posted workers sent to Berlin and with an employee working in the project coalition against trafficking for labour exploitation at the Confederation of German Trade Union. Finally, one Hungarian construction worker who worked at the BER Airport and a manager working in a company which is operating in construction at the BER Airport were interviewed. Discussions were held with politicians of the main parties in Germany and institutions indirectly related to the issue. The analytical technique used is based on the content analysis of Mayring [2000]. In the words of Neuendorf [2002] the content analysis can be described as a six-part process: "Content analysis is a summarising, quantitative analysis of messages that relies on the scientific method (including attention to objectivity, intersubjectivity, a priori design, reliability, validity, generalisability, replicability, and hypothesis testing) and is not limited as to the types of variables that may be measured or the context in which

the messages are created or presented.” [Neuendorf 2002:10]. Qualitative content analysis are strictly controlled methodologically and the material is analysed step by step. The analysis is undertaken qualitatively using a computer-assisted approach called MAXQDA.

Studies on Employment Relations of Temporary Mobility Workers

In the last years several studies in Europe have been published concerning conditions of temporary mobility workers in cross border situations [Cremers 2011, Dälken 2012, Jorens, Peters & Houwerzijl 2012, Lorenz 2010]. The studies report that the main problematic issues of temporary migrant workers concern wages, working hours, workers safety, transportation and accommodation [ib.]. Concerning their wages, the problems have to do with unpaid overtime, illegal salary deductions and partial payments or no payments at all. The issue on working hours is that they exceed the normal 40 hours per week to a 60 hours per week or more and noncompliance of daily and weekly periods of rests [Cremers 2011]. Due to these conditions they are in higher risk of unhealthy working conditions. Further, they are not given translations of industrial safety regulations and generally there is a shortage on protective equipment [ib.]. To sum up the issues in accommodation: “Placement in containers under Hilton-fees” [Cremers 2011:60]. The study by Dälken [2012] concluded that flexible workforces like cross-border temporary agency workers, posted workers, cross-border self-employed workers (false selfemployment) and cross-border contracted workers in these industries are increasingly replacing permanent workforces.

A number of studies came to the conclusion that the precarious employment situations of temporary migrant workers facing in Europe are largely exploited due to the contempt of regulations, weak regulations, non-available or inadequate regulations such as uniform statutory minimum wages for each industry. It lacks in efficient control systems, effective sanctions and insufficient consultation of the workers and collaboration between institutions as well as between institutions and contractors especially in the early stages of work assignments. The studies end with recommendations for action. Dälken [2012] recommends actions like a revision of the directive regulating the posting of workers in Europe as well

as the procurement laws, an extension of the general liability of general contractors to all industries, the development of controls and sanctions by public authorities. In all these actions the awareness of the living conditions of migrant temporary workers should be taken into consideration. One main aspect concerning the workers themselves is education of their employer's rights and the early provision of consultation on their rights.

A Critical Review of the Case Study: Casual Labour Mobility in the Public Construction Project Berlin Brandenburg Willy Brandt Airport

Since 2006 the new Berlin Brandenburg Willy Brandt Airport [BER airport] has been under construction and is still delaying due to technical problems and errors in planning [Berlin airport 2013a]. It is owned collectively by the state of Berlin, the state of Brandenburg and the Federal Republic of Germany [BER Airport 2013c]. Some important figures and facts of the case are as follows: The politicians at the BER Airport had the aim to use as many medium sized local companies as possible. In 2010 about 900 construction workers engaged on the site; on their website you can find principles of business ethics by the BER airport [Berlin airport b]; In 2011 the first salary fraud was documented by the Confederation of German Trade Unions [DGB] and the number increased over the years to 88 workers in 2013 who have been financially deceived [see Table 1].

Tab. 1. DGB Region Berlin [2013] Status quo of persons affected and contacted at the counselling office for posted workers sent to Berlin

First contact	People affected	Country of origin	Status
November 2011	1	Bulgaria	State-insured employed
November 2011	5	Poland	State-insured employed
December 2011	3	Armenia/ Lithuania / Portugal	Fictitious self-employed
December 2011	19	Hungary	State-insured employed
March 2012	12	Romania / Bulgaria/ Latvia	Self employed
April 2012	12	Poland	First state-insured employed and then self employed (limited commercial partnership)

May 2012	9	Poland/ Lithuania	Self employed (limited commercial partnership)
June 2012	8	Poland	Posted worker
Oct. - Dec. 2012	17	Hungary	State-insured employed
January 2013	2	Poland	Illegal Employment
Total No. of Persons affected	88		

The work process at the BER airport starts with an invitation of tenders by the airport corporation. After selecting the lead contractor for a special task they enter into a contract agreement with him to abide by the labour agreement and to ensure that this agreement is followed with the engagement of sub-contractors. In various cases of the counselling office for posted workers sent to Berlin [counselling office] the process continues with a lead contractor who contacts subcontractors and informs them that they need a specific number of workers. The subcontractor gets in contact with a middleman from middle or east Europe who searches for construction workers.

At the time the people arrive in Germany, most of them have no knowledge of labour law, health and safety measures, language skills and the liability of taxation. They are either directly employed by the subcontractors, self-employed or founding a private limited commercial partnership. In most of the cases the contract is not translated into the language of the workers. In the case of nineteen Hungarian workers it was written in the contract, which was written in German, that the regular payment of 11,- € (online they advertised 18,- € per hour) is only paid if their performance was hundred percent, if not, they will get paid less or nothing, all decided by the employer.

If they are to be self-employed, the middleman arranges everything from social insurance, company registration to organising a lawyer for establishing a private limited partnership in Germany. For arranging these papers the middleman sometimes collects around 130,- € which are withdrawn from their first payment.

After having all the legal issues settled, the workers arrange a place to stay or what is most of the time and very common in the construc-

tion industry the subcontractor organises a place to stay for them in small apartments where many more are accommodated in a room that is actually permissible. In one case 50 people were made to live in a three bed room apartment without enough beds or mattresses to sleep on. Working around the clock, they shared the same beds or mattresses. In the case of forty Hungarian workers, they lived under inhuman accommodation conditions, living with several people in a room of tenant houses outside Berlin and paying around 200,- € to 300,- € per month which was deducted from their salaries.

At the airport, workers receive identity cards or ar aggregate and kept by one person, most of the time by the middleman like in most cases the DGB counselling office have been confronted with. In this case, only the middleman is checked at the entrance of the BER airport. At the construction site the Hungarian workers are asked to renovate the fire safety which had not been done properly before. They are not equipped with the appropriate tools and find the written construction plan different from what they come to see at the site. However they are still forced to stay by the plan. The fire safety instruction site was one of the main reasons why the opening of the BER airport has been postponed. At the airport construction site workers have been controlled several times by the custom officers. The custome officers checked their registration with trade documents but without involving an interpreter and no questions concerning their working conditions, payment or accomodation were posed, since that is not within the scope of their responsibility.

After several weeks or month of not being paid, they are given only promises and told that the main companies themselves have not been paid yet and therefore have to contend with weekly advance payments between 10,- to 50,-€ for food and transportation. Some of the workers contacted the counselling office to ask for help. In the case of the Hungarian construction workers 19 out of 40 workers came directly to the counselling office in December 2011 with the complaint that they have not been paid for two month, that they have no money left to go home for Christmas and no accommodation to sleep. They have been told that they should go home because there is no work over Christmas and that the accommodation is being closed down but the Hungarian workers did not even have the money to go home.

Depending on the case, the counselling office contact other institutions like trade offices, revenue offices and also other unions to receive more

information if needed. They get also in contact with the financial control of illicit employment to ascertain whether illicit employment structures or dependent contracting are suspected.

The counselling office then tries to contact the direct employer and if this does not work, they go further up to the final chain of the general contractor to make a statement about non-payment of the workers. The argument chain is that they have paid the subcontractor, and so if the subcontractor has not paid their workers they have nothing to do with it. In most of the cases the subcontractors are not willing to pay at all and in some instances very little. In such cases, the counselling office tries to find places to stay for a few days in shelters for the homeless workers. In one case, workers at the BER airport were threatened that they should not contact or inform anybody. If they do they will look for them and injure either them or their families at home. That is one reason why the workers wait so long before they contact the counselling offices as well as their limit of tolerance is higher than in Germany and they are used not getting paid on time. Another reason is that they have no choice because they have taken all their savings to come to Germany and use it until they are exhausted. They are further dependent on living in rooms the employer organises and their family at home wait for the salary to be paid so their only choice is to wait and hope that their money will come as promised.

In the Hungarian case the counselling office arranged a press conference where they informed the public about the case. The aim was that with the help of moral and press pressure, the subcontractor will be willing to pay, but they did not. They rather got into administration although some of the workers new that they have opened three new companies with different names at the same time. The subcontractor said the workers will not be able to work there and if they become a member of a union they will be dismissed without notice. The one who became union members received such a notice. The counselling office got in contact with the general contractor who was then willing to pay 300,- € each for their journey back home. After the workers arrived at home, they received dismissal letters with immediate effects. The Hungarian workers who became union members had the chance to enjoy legal protection and the chance to sue for their loan. After the accusation, the sub-contractor declared himself bankrupt and therefore the workers were only left with insolvency payment. It took one and a half years until they received insolvency payment. This case was one of the good cases the counselling office said.

After contacting several general contractors, they promised the counselling office that they will strongly emphasise their contracting partners to be stricter on paying general minimum wages of the construction industry. In one case it was said that such behaviour are in clear contradiction of their corporate philosophy. They promised to check their internal control mechanisms to prevent such cases from happening again. They also hoped to keep in contact with the DGB to get their advices and experiences with such cases to improve their processes of work. A parliamentary investigating committee, aimed at targeting control of the senate, especially where abuses are suspected, has been agreed on by the members of the House of Representatives. The aim of the committee was to find out why there have been so many delays and additional cost in finishing the BER airport. The DGB demanded to also discuss the issues on working conditions at the BER Airport, but that was not part of their terms of reference of the committee. The airport corporation itself mentioned that they have mafia-like structures but they have no possibilities to overcome it. The issues are considered as isolated cases and the political will to act is very low.

Discussion: Cause, Effects and Recommendations of 'Decoupling' Institutional Regulations

In the following section representatives of stakeholder groups (politicians, unionists, managers, members of institutions dealing with CSR) commented on the causes, effects and recommendations of 'decoupling' regulations from acting at the BER Airport, the general phenomena of ethical hazards in employment relations in subcontracting processes and the role of CSR in it.

The cases at the BER airport are not isolated cases but rather a non-conforming pattern of systematic salary fraud appearing in a publicly owned, planned and operated project. The paradox is that the Government of Germany is the final contractor in this chain. Violating the casual migrant worker's right have happened in an industrial country within legally protected supply chain and at a time powerful CSR movements in small and medium sized enterprises are supported by the Federal Republic

of Germany. The case study showed that normative expectations and reality are being 'decoupled' or compromised while informal non-conforming behaviour been systematised.

The BER Airport case is only an example for all the cases the counselling office are confronted with in the last years in Germany. They all have similar or the same patterns of fraud structures. Often, advantage is taken of the lack of knowledge of workers in the area of posting of workers and their legal rights. Another problem is that the workers come at the last moment where they have little money, problems with their accommodation and little food left. This is a very difficult situation they are in which is indeed a vicious circle. It is very difficult to intervene the decoupling process of regulations in dealing with structures that are oriented on exploitation of migrant workers leading towards mafia structures having criminal intention as a system.

In big construction projects like the BER Airport where the contractual relationship differs with several sub contractors, it is more intransparent and the chance of being apprehended is all the more unlikely. Several interviewers said that one reason for the misbehaviour at the BER Airport was a lack of delegation of responsibility. In such big construction projects like the BER airport, a subcontractor needs more workers than his own staff.

In order to keep costs low, there is the constraint to get workers from European countries with less wages. "The idea of economisation to exhaust efficiency to the fullest to the point of establishing dummy concerns who from the beginning are being pushed to insolvency not to pay their workers. Here the logic of economic value creation chain is taken to extremes such that one can only talk in such cases about perversion." [Interview 12, translated by author].

The cascade structures of exploitation are legal but are misusing the law and there is a system behind such structures of organised crime. What has happened at the BER Airport is illegal in Germany, especially in the European legislation. The problem is that the state does not control if payments have been done or accommodations are well arranged, this is a private issue unless the worker sues the company. For suing a company in Germany, one needs time, money and evidences which makes it very difficult for the temporary migrant workers to act properly having little money, less time, language problems and sometimes little doc-

uments to prove their situation. An effect of subcontracting processes are that most of the time the counselling office only get the small subcontractors to sue, it is hardly possible to get the ones really responsible for it. The small companies declare themselves insolvent and sometimes re-register their companies under other names and succeed in doing the same thing in collaboration with the main responsible company. The counselling office has created some transparency regarding this irresponsible behaviour and this has been documented. A positive effect is that due to the fact that informing the public about cases of salary fraud, companies are more circumspect in committing such crimes, since they risk being publicly ridiculed. In general, regulations need to be settled at the EU level. Failure to do this makes it very difficult to have a fair competition. Thus a better EU legislation on law of freedom of movement which is at the moment rather being softened. The main aim is to have collective agreements and legal minimum wages in all industries of Germany one interviewer stated.

There is the need to have a third party implementation of the work inspection act and a general contractor liability. There is also the need to have more clarity on this law because there are different interpretations given to it. The execution of the rights depends on the awareness of the individual about their rights. This underscores why it is necessary to educate workers on the rights beyond the regulations. Informing temporary migrant workers about employment rights. In cases of salary fraud and unethical accommodation situations, harder sanction will have to be applied. The punishment of the employer can be effected by withdrawal of his licence in the industry. Such sanctions need to be dispensed more often, so companies who take the risk of being sanctioned will no longer be considered for subsequent contracts. Otherwise they speculate that their profits can accommodate the prosecution, thereby maintaining those behaviours. Furthermore, there is the need for more efficient control structures, especially controls of a subcontractor chain on the basis of work conditions and accommodation. What needs to be kept in mind is that, if more regulations are being brought into, there is the danger that the pressure to get more self-employed structures might rise with the result that the control through the law will be weakened.

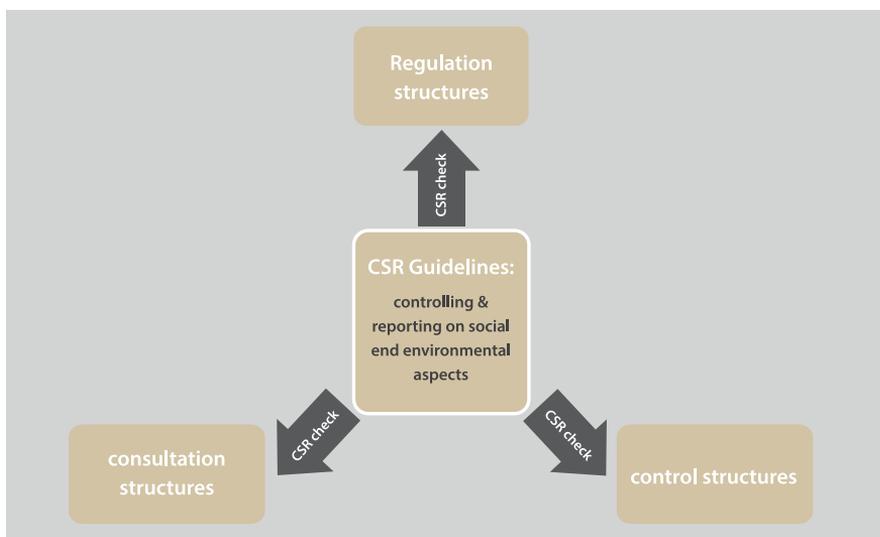
In the last years, the employment relationship has changed from employment on a salary basis to subcontracted employment, and contract

of work to various forms of delegation. Regulations can only be the minimum standard. Beside the regulations a control mechanism through the information of the media should be created. But the media can only be used as leverage. The tender process should not focus on the cheapest especially if it has negative national economic effects. Criteria within the public tender process like payment of at least the minimum wages, payment according to the negotiated tariff, payment of social contribution and sustainable development with the amendment of the guideline of allocation of contracting entity from "can" to "should" be sustainable should be included. Companies need to be educated about how to be sustainable and social responsible in order to be efficient in the long run. What applies to companies also needs to apply to contracting entities. CSR can be a support which will have to be integrated in the regulations to be effective: an integrative CSR check along the chain of employment relations and labour conditions. What leads to change of companies is the behaviour of their customers: if the customers do not chose companies without a CSR report, companies will quickly focus their attention more on CSR aspects: isomorphism. CSR can therefore be a control mechanism for good behaviour. However in voluntary assessments for companies who are not willing to pay their workers adequately or deliberately disregard workers rights, CSR will not be sufficiently effective. CSR is voluntary, can only give orientation, and will not work without enforced regulations.

There is the need for an integrative CSR check to be undertaken for all the companies and institutions in the value chain. Knowing if organisations act according to the promises of their codes of conduct can only be evaluated if their procedures are transparent. Therefore transparency is an important aspect for organisations to react to the integrative CSR myth of maintaining and legitimizing their reputation and preventing decoupling from happening [Hiß 2005]. This means CSR guidelines involvement as an external third-party instance controlling each structures of the value creation chain using the CSR Guideline criteria, ensuring that the social and environmental aspects are secured within the regulations, consultations and control structures (See Graph 1).

Prevention of decoupling in value chain processes through CSR Guidelines

Fig. 1. The role of CSR Guidelines within the structures of subcontracting processes



Source: own representation

As a result CSR guidelines will secure the social and environmental aspects being taken care of in securing the legitimacy of the process and offer the institutional surrounding transparency due to the CSR report. The integrative perspective on CSR myth can therefore be seen as a cross-linkage of all structures involved in a value creation chain with the focus on social responsible behaviour.

Conclusion: Widening the Debate on CSR as an Integrative CSR Myth in Subcontracting Processes

This article has examined the extent to which non-conforming behaviour has been a systematic pattern within a developed institution surrounded by laws, guidelines and principles of business ethics and how stakeholders responded to the ethical dilemmas of temporary labour workers. The primary focus of the discussion was on how formal rules have been

'decoupled' from action, secondly explored institutionalised informal non-conforming behaviour which has been systematised and finally the role of CSR Guidelines seen as an integrative CSR myth involved in a value creation chain of subcontracting processes. What this article has demonstrated is the 'decoupling' process of formal regulations in which salary fraud has been systematically integrated in the value creation chain. Rowan and Meyer's solution of 'decoupling' by creating gaps between institutional rules and actual activity to protect organisational efficiency and still be legitimised by their institutional surrounding could be very clearly observed in the BER airport case. The companies at the BER airport construction site have acted illegally and have violated the legal, ethical and social regulations of the workers. They have not been penalised hard enough to avoid repetition and eventual institutionalisation of fraud. The workers at the construction site were in an environment with regulations, contracts, control checks and yet systematic salary fraud occurred. There have been recommendations and suggestions for improvement to prevent such 'decoupling' processes from happening which deal with changing regulations, consultation-, control- and sanction- structures and making sure that these systems are executed with the focus that the work conditions of the temporary migrant workers are secured. The role of CSR can be seen from a meta control level in subcontracting processes if the role of CSR myth is looked at as an integrative part in each step of the value creation chain.

Temporary labour migration in subcontracting processes in Germany will continue to be a major ethical issue of its impact in precarious employment relations and the society. The structure of CSR Guidelines seen as an integrative myth within the single structures of consultation-, control- and sanction in each step of the value creation chain can play a key role in the foreseeable future.

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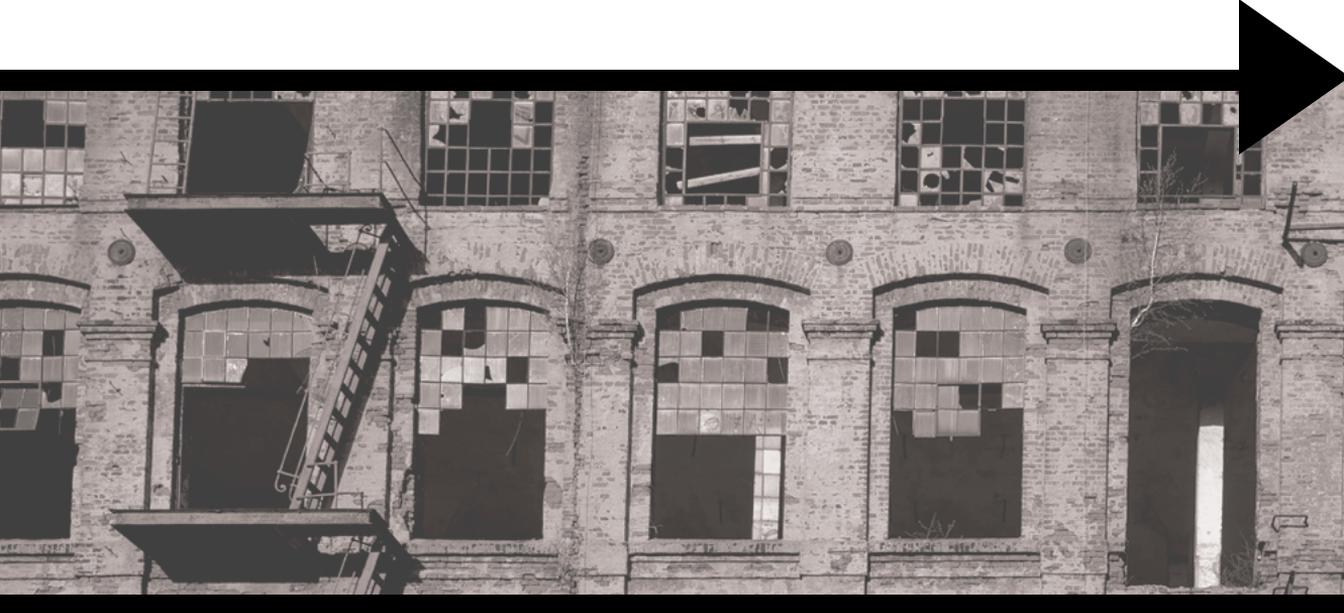
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