



**Private voluntary regulation in  
Business in the Community and Stonewall:  
The strengths of weak regulation**

by

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*I dedicate this PhD thesis to my mother, Anne Demougin; to my father  
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*I love you dearly.*

# Abstract

Understanding how to effectively regulate labour standards is a central issue in the field of industrial relations because it significantly impacts the lives of individual workers, as well as society and the environment at large. In this work, I draw attention to a relatively new and increasingly relevant method of regulating labour standards called 'private voluntary regulation'. Hitherto, private voluntary regulation has been widely criticised of being weak and ineffective, particularly due to its lack of enforceability, its struggle to disseminate meaningful minimum standards and its potential for shallow implementation within the workplace. However, the existing literature on private voluntary regulation has generally ignored two substantial issues. First, research was predominantly conducted in the context of global supply chains, while national-level private voluntary regulation remains under-studied. Second, the agency of private actors, such as employers themselves or private collective organisations who may actively influence its effectiveness has largely been ignored in favour of structural considerations, such as organisational size, age, sector, and industry.

To address these research gaps, I identify and evidence the relevance of three actor-centric independent variables which significantly impact the success of private voluntary regulation in shaping and influencing labour standards. These are: first, the 'framing' of private voluntary regulation, comprising of 'business-case framing' and 'ethical framing'; second, the 'interactions' between the member firms in collective organisations, including 'cooperation' and 'competition'; and third, the 'governance' of private voluntary regulation within firms, including 'top-down governance' and 'bottom-up governance'. I argue that when these three variables work in conjunction with one another then labour standards can be effectively raised through private voluntary regulation.

I empirically substantiate this argument through a comprehensive investigation of two British collective organisations that are involved in private voluntary regulation, namely 'Business in the Community' and 'Stonewall', as well as,

ten of their member firms. I draw on multi-method data collection and triangulate three qualitative methods and one quantitative method to obtain more objective and generalisable empirical findings. These include firstly, a relational content analysis of documents, articles and press releases; secondly, 91 semi-structured interviews with experts and representatives of my case study organisations; thirdly, participant observations at 31 separate events; and finally, two small-scale online surveys with the member employers of the collective organisations. Through an iterative process of shuttling back and forth between existing theory and my collected empirical data, I develop and substantiate a theoretical argument which uses private actor agency to explain the fluctuating success of private voluntary regulation in raising labour standards.

Firstly, I find that Business in the Community primarily relies on business-case framing to convince many employers to join its cause surrounding responsible business activity. These employers choose to participate in the private voluntary regulation of labour standards principally because it can result in improved financial performance through various pathways. This includes better employee recruitment and retention, the winning of new work contracts, a strengthening of brand image, and improved compliance with the law. While business-case framing results in high levels of firm commitment, its profit-centric ideology leads some businesses to merely make superficial changes to labour standards and even provides some employers with a smokescreen to hide other malpractices. Stonewall, on the other hand, relies more strongly on ethical framing which emphasises the notion that joining their membership is simply ‘the right thing to do’. I show that Stonewall gently challenges member firms on a moral level which is comparatively a less salient financial argument, and yet leads to more profound changes in labour standards. However, both Business in the Community and Stonewall tailor their usage of business-case and ethical framing depending whom they are talking to, and often use a combination of both types of framing. In fact, I show that the most successful changes to labour standards are made in those firms that actively respond to business-case, as well as ethical framing.



Second, Stonewall primarily relies on inter-firm competition through its central benchmarking tool, namely the 'Workplace Equality Index'. It fosters a competitive environment where employers are encouraged to self-monitor their own workplace policies and practices, to submit annual applications with supporting evidence, to receive external feedback, and to actively engage in a 'race to the top' of constantly elevating levels of labour standards. Business in the Community also utilises some successful competition, such as through its annual 'Responsible Business Awards'; yet, I found these tools to be rather celebratory and to result in surface-level changes to labour standards. Instead, the main emphasis of interaction in Business in the Community is on creating cooperation between employers through its prestigious business network. This tactic successfully resulted in the dissemination and sharing of best practice, as well as in some communal projects. However, cooperation through business networks, I found, may at times remain a self-congratulatory façade so that employers feel as part of a 'responsible business club', without necessarily raising labour standards effectively. Competition and cooperation are not necessarily mutually exclusive however, and the most successful changes are made in those organisations that are both part of cooperative employer groups and are simultaneously in constant competition with other businesses.

Finally, my ten firm level case studies revealed that top-down governance and bottom-up governance each carry distinctive advantages and disadvantages in implementing changes to labour standards through private voluntary regulation. Top-down governance is most effective when changes are tactically and incrementally drip-fed into firms' organisational culture, as well as actively aligned to their mission and values. Conversely, top-down governance can become tokenistic when new policies are not effectively translated into practices and lack dissemination across the organisation. Bottom-up governance is most effective in those firms where individuals or groups of employees actively take ownership of new private voluntary regulation initiatives and passionately use their agency to transform organisational cultures from within. Employee network groups (e.g. 'LGBT employee networks') are particularly valuable tools to drive change, especially when they provide workers with a voice and the power to influence management decision making through information feedback

loops. However, bottom-up governance can at times lack the direction, strategy, support, and resources to effectively influence labour standards. Once again, my findings suggest a symbiotic and mutually reinforcing relationship between top-down and bottom-up governance leading to the most successful examples of change to labour standards through private voluntary regulation.

Paradoxically, I find that those very aspects of private voluntary regulation that induce many critics to condemn it as 'weak', can – when collective organisations and their member employers utilise their agency in meaningful ways – turn into the 'strengths' of private voluntary regulation. When these private actors manage to successfully shape and influence private voluntary regulation through framing, interaction, and governance then it can in fact become a strong form of regulation. First, business-case and ethical framing can lead to an approachability and trust between collective organisations and private employers. Second, competition and cooperation can lead to an ever-evolving set of best practice standards. Third, top-down and bottom-up governed private voluntary regulation can together lead to deep-rooted changes of organisational culture which emphasise worker voice. Thus, analogous to Mark Granovetter's (1973) 'strength of weak ties', the effects of private voluntary regulation – allegedly a weak form of regulation – can through private actor agency, be strong.

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## List of abbreviations

ACAS	–	Advisory, Conciliation and Arbitration Service
BDF	–	Business Disability Forum
BITC	–	Business in the Community
CAADV	–	Corporate Alliance Against Domestic Violence'
CSR	–	Corporate Social Responsibility
EDI	–	Equality, Diversity, and Inclusion
EfC	–	Employers for Carers
ENEI	–	Employers Network for Equality and Inclusion
EOA	–	Employee Ownership Association
ESRC	–	Economic and Social Research Council
HE	–	Higher Education
HR	–	Human Resources
IR	–	Industrial Relations
ILO	–	International Labour Organization
IT	–	Information Technology
KPMG	–	Klynveld Peat Marwick Goerdeler
LGBT	–	Lesbian Gay Bisexual Transgender
LWF	–	Living Wage Foundation
PSED	–	Public Sector Equality Duty
PVR	–	Private Voluntary Regulation
PwC	–	PricewaterhouseCoopers
UK	–	United Kingdom



USA – United States of America

WF – Working Families

## CHAPTER ONE: Introduction

This research project is focused on the topic area of regulating labour standards, which is considered central to the field of industrial relations (IR). In 1979, Hugh Clegg even defined IR plainly as “the study of job-regulation” (p. 1). Effectively regulating labour standards is relevant because it relates to many important issues at work, such as protecting disadvantaged groups of employees (Özbilgin and Tatli 2011) and limiting the negative impacts and enhancing the positive effects of workplace policies and practices on both the natural and the social worlds (Epstein 2018). Without effective employment regulation, competitive incentives and market pressures can lead to employer-managers exploiting their workers to reduce labour costs and raise profits of business shareholders (see Greenstone 2002; Chan 2016), thus potentially leading to the minimisation of health and safety rules or the maximisation of employees’ working hours (see Banyuls and Haipeter 2010). Employment regulation is essential as it helps to pre-empt a race to the bottom of labour standards, even in advanced economies such as the United Kingdom (UK) (Toynbee 2003). A significant question which follows from this is: ‘What are the appropriate sets of rules, structures, pressures, or behavioural nudges to successfully establish safe, fair, and sustainable labour standards?’

To answer this question, most IR research on employment regulation traditionally focused either on collective bargaining between employers and unions (e.g. see Kochan 1980), or alternatively on the role of the state in setting certain standards of employment through legislation (e.g. see Deakin and Morris 2010). However, in the increasingly neo-liberal contexts of many Western democracies, individual rights have progressively been favoured over collective rights leading to a continuous decline of joint employment regulation through union-management negotiations (Crouch 2017). Additionally, public employment regulation through the state – albeit undoubtedly relevant in many countries – generally remains focused on minimum compliance standards, and thus, ignores the possibility of creating progressive best practice standards (see Singh and Zammit 2004). This is partially due

to the lobbying efforts of large companies, who commonly try to avoid any increases in legislative restrictions on the labour market which they often refer to as “red tape” (Gjølberg 2009, p. 605).

In this work, I draw attention to a third, comparatively new, and arguably complementary method of regulating labour standards which is becoming increasingly relevant, namely: ‘private voluntary regulation’ (PVR) (e.g. see Vogel 2008; Coslovsky and Locke 2013). PVR by employers and their membership organisations has thus far been frequently criticised and labelled as a relatively weak and ineffective way of shaping and influencing labour standards (see Trubek and Trubek 2005). Because PVR is typically not effectively enforced, many IR researchers argue that it has little success in changing workplace policies and practices (see Kuruvilla and Verma 2006). Yet, the critical PVR literature largely ignores the importance of private actors, including private collective organisations and employers themselves and their member firms, who use their own power and agency to drive changes in the labour standards of firms. Over the course of this dissertation, I present and substantiate a more differentiated argument which highlights the importance of private actor agency in the context of PVR. I contend that – under certain conditions – PVR has several (hidden) strengths that are useful in regulating labour standards, and that PVR can thus provide a strong additional layer of regulation in support of harder forms employment regulation.

## **1.1 Private voluntary regulation**

The phenomenon of private actors who make voluntary efforts to regulate their own labour standards without being explicitly coerced to do so by unions or the government can be observed at a growing frequency both within international supply chains (Locke and Romis 2010; Bartley 2018), and in national settings, such as the UK (Kinderman 2011; Hoque et al. 2014). What is significantly different about PVR initiatives in comparison to joint regulation with trade unions or public regulation by the state, is that the commitments to shape and influence workplace policies and practices are made by private actors and are entirely voluntary, and therefore not

directly enforceable. Despite remaining largely free of pressure from traditional IR actors, such as trade unions and government, employers may nonetheless experience an intense pressure to act emerging from other stakeholders, including customers, employees, or political interest groups.

PVR appears in many forms, and different employers can use PVR in various ways. For example, some firms, such as KPMG, have publicly committed towards voluntarily gathering and publicising company data surrounding the equal treatment of their male and female employees, as well as employees with disabilities and lesbian gay bisexual transgender (LGBT) staff in the context of their recruitment, career advancement and pay (KPMG 2018). Numerous companies, particularly multi-nationals, have also developed their own private codes of good corporate conduct, which often include clauses on their treatment of employees (Egels-Zandén 2014). These voluntary pledges typically go beyond the minimum compliance standards of national employment laws surrounding specific workplace practices, such as health and safety, employee pay, working hours or environmental sustainability (e.g. see PwC 2018). Other companies, including the consulting firm Accenture, have simply decided to voluntarily donate a proportion of each of their employees' time to social or environmental community projects (Accenture 2018). A final example is that some employers provide the space and funding to create and grow employee networks for staff members with specific needs, such as for those with caring obligations, physical disabilities or with mental health conditions (e.g. see Welsh Government 2018).

Beyond the mentioned examples of isolated commitments from singular employers, however; within the UK, there is an increasingly growing range of collective organisations that are involved in PVR. One example is that of so-called employer forums (see Gooberman et al. 2017; Bowkett et al. 2017). Employer forums are defined as formal membership groups of employers which are committed – by using PVR measures – to shape and influence workplace practices with regards to one or several social and/or environmental topics (Demougin et al. 2020). They tend to focus on one of two substantive issues, namely either on 'equality, diversity and inclusion' (EDI), or on 'corporate social responsibility' (CSR). For example, some employer forums are explicitly focused on one specific substantive EDI topic, such as

disability in the workplace (e.g. 'Business Disability Forum' (BDF)), on working carers (e.g. 'Employers for Carers' (EfC)), on staff that are or have been exposed to domestic violence (e.g. 'Corporate Alliance Against Domestic Violence' (CAADV)), or on employee mental health (e.g. 'Mindful Employer'). The employer forum 'Business in the Community' (BITC) on the other hand, is focused on the broader social and environmental issues that are impacted by British businesses; and is committed to 'responsible business' and CSR. BITC serves as the first case study organisation in this thesis.

Another relevant type of collective organisation involved in PVR is 'civil society organisations'; although here, the term 'civil regulation' tends to be preferred over PVR (see Heery et al. 2012; Heery et al. 2014; Williams et al. 2011; 2017). Civil society organisations are not entirely dissimilar to employer forums, since they too, often engage with employers. Yet, they typically go beyond this as they also advise, support, and represent individual workers or consumers, organise awareness campaigns, and often also lobby government. Essentially, these organisations broadly engage with non-business constituents and introduce standards in response to pressure from civil society, such as consumer sanctions (Harvey et al. 2017, p. 44). Civil society organisations can have a variety of organisational structures, such as charities, faith groups, voluntary associations, advocacy bodies, campaigning groups, or other non-governmental organisations (NGOs) (Williams et al. 2011).

A prominent example of a civil society organisation is the 'Living Wage Foundation' (LWF) which was created by Citizens UK in 2011 after unions, faith and community groups complained that many low wage workers in the London area were unable to support their families, forcing them to work multiple jobs (Wills and Linneker 2014). The Living Wage is independently calculated based on the estimated costs of living in London and in the rest of the UK. Between 2011 and 2017 it had spread to over 3000 employers that voluntarily chose to gain accreditation (Heery et al. 2017). Another example of a civil society organisation, which deals with the EDI rights of LGBT people is 'Stonewall'. This organisation takes a five-pronged approach to tackle issues of LGBT inequality, disadvantage and discrimination, namely by (1) engaging with and lobbying government, (2) producing research, (3) pressuring, training and

benchmarking employer practices, (4) educating pupils in schools, and (5) providing advice and support to individual LGBT people, including employees. Stonewall serves as my second case study organisation for this project.

What these examples of collective organisations have in common, is that they aim to engage with a wide range of employers across the UK; and additionally – by using an array of tools and measures – attempt to induce firms to change their workplace policies and practices voluntarily. For instance, each of these organisations publish some educational documents, including guides, toolkits, case studies and exemplary policies, and they organise informative events to disseminate examples of best practice amongst employers (e.g. Working Families (WF) 2018). Most collective organisations also set up regular meetings with employers to offer them tailored advice or organise bespoke training sessions with the aim of improving their labour standards (e.g. ENEI 2018). In addition, many of these organisations have developed competitive benchmarking and award schemes through which they collect data, and then evaluate and publish the results of companies’ policies and practices surrounding a specific topic (e.g. the BDF’s ‘Disability Standard’ (BDF 2020a)).

Despite PVR becoming increasingly widespread, it remains widely criticised for being weak and even for crowding out stronger and more effective forms of regulation (e.g. see Dickens 1999; Hoque et al. 2014). Three principal criticisms are generally formulated against PVR<sup>1</sup>. First, because of its lack of enforceability through harder implementation mechanisms, sceptics are often distrustful of employer-managers’ motivations to self-regulate their labour standards voluntarily and unilaterally (Konrad and Linnehan 1995). Second, the PVR initiatives that are grounded in collective business action are often considered untrustworthy or even plain “immoral”, especially as they are often unable to create reliable levels of minimum standards (Kinderman 2012; McKinlay 2011, p. 94). Finally, the implementation of PVR is often considered superficial and tokenistic, as well as lacking a voice mechanism for employees, and thus leads to transitory and inconsistent changes (Haufler 2013). Inferring from this, during a conference on global supply chains, the IR researcher

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<sup>1</sup> These three weaknesses are unpacked in more detail in section 2.2.1.

Sarosh Kuruvilla's concluding presentation slide on the topic of PVR depicted a gravestone, which read: "Private Voluntary Regulation – Rest in Peace" (Kuruvilla 2018).

However, the literature's widespread negative evaluation of PVR is largely based on research which generally ignores two crucial factors<sup>2</sup>. First, the PVR literature has been over-proportionately focused on the role of PVR within global supply chain initiatives; with much less focus being given to national PVR measures. Yet, the current judgement of PVR as weak and ineffective within global supply chains should not necessarily be extrapolated to PVR on national levels as both the expectations of PVR and its context-specific weaknesses, differ significantly. The latter context remains under-studied, and assumptions that PVR is inherently flawed remain inconclusive. Second, PVR studies have hitherto mainly focused on functional and deterministic responses to external factors and structural attributes, such as for instance a firm's size, age or sector (e.g. see Hoque and Noon 2004), on geographical proximity between buyer and supplier companies (e.g. Locke and Romis 2010), or on the existing national regulatory contexts (e.g. Locke 2013). While this is undoubtedly valuable research, the autonomous decisions of private actors to strategically shape PVR conceivably also have a significant influence on the processes and outcomes of PVR. My thesis will fill these two gaps in the PVR literature through a profound analysis of the factors and social mechanisms related to the power and agency of private agents within the national context of the UK. This will contribute to a more comprehensive understanding of PVR and its potential role in effectively regulating labour standards.

## 1.2 Argument overview

In contrast to the widespread, negative evaluation of PVR's limited effectiveness, my argument for this thesis is that when private actors utilise their agency in meaningful ways, then PVR has the potential to have a strong positive impact on labour standards. Using an iterative process of dialectical shuttling back and forth between existing

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<sup>2</sup> For a more detailed account of these two factors, see section 2.2.2

theory and my collected empirical data, I develop a two-tiered theoretical argument of PVR which puts the agency of collective PVR organisations on one level, and the agency of employers on a second level to explain PVR's influence on workplace policies and practices. My argument contains three independent variables which, I contend, each have a distinctive and significant impact in explaining the processes surrounding PVR and its potential successes and failures in shaping labour standards. The fundamental research question guiding this project is:

*'How do private agents impact labour standards through PVR?'*

More specifically, I examine the query: 'Under what conditions is the application of PVR, through collective organisations, such as BITC and Stonewall, and their member firms, effective and successful at raising labour standards; and under what circumstances, are these private voluntary efforts potentially ineffective or meaningless declarations of intent? Is PVR always 'weak'; or could PVR – under the right conditions – actually be a 'strong' form of employment regulation?'

To address this inquiry, I develop and then empirically substantiate the following theoretical argument:

*'I argue that when private actors, including collective organisations and their member firms, simultaneously (1) use business-case and ethical framing, (2) interact with one another through competition and cooperation, (3) and govern PVR from both the top-down and the bottom-up, then PVR can lead to highly effective and successful improvements to labour standards.'*

This argument describes a relationship between three independent variables and one dependent variable. Each variable is developed based on existing theoretical concepts which help to explain variances within the strengths and weaknesses of PVR towards impacting labour standards.

The first independent variable is 'framing' and originates from the social movement literature (see Benford and Snow 2000). Framing refers to the type of motivational argument that collective organisations can use to describe PVR and how their existing and potential future member businesses are incentivised to use PVR. Framing influences firms' labour standards, and more fundamentally, their ideational viewpoint of their role in society. My first case study organisation, BITC, primarily uses



‘business-case framing’ and is very successful in convincing employers to participate in its PVR measures and activities. Its business-case arguments are directly in line with many firms’ bottom line ideology of profit-making surrounding four main topics. These are (1) becoming employers of choice and thus improving their employee recruitment, retention and motivation; (2) winning better work contracts through tendering and procurement; (3) improving firms’ brand image and thus gaining more (as well as more loyal) customers; and (4) actively demonstrating compliance with the law and thus avoiding any potential associated legal costs. However, despite BITC achieving widespread engagement and recruiting many firms to join its membership, the resulting changes to labour standards in these firms that are motivated solely by business-case arguments tend to be rather cosmetic and superficial. Moreover, PVR as framed through business-case incentives can, at times, lead some firms to try to whitewash their reputation and hide malpractices. The substantive effects of PVR when solely framed through business-case arguments are therefore rather slim.

In contrast, my second collective case study organisation, Stonewall, favours ‘ethical framing’ to describe PVR and its associated advantages. Here, moral arguments are primarily used to incentivise and challenge firms to engage in PVR and change their labour standards, their organisational cultures and even their ideological ‘raison d’être’. Stonewall effectively uses soft, ethical challenges to confront and educate employers, managers and workers alike surrounding the fair and equal treatment of LGBT staff and clients. The resulting changes to workplace policies and practices tend to be more meaningful and enduring. Conversely, ethical framing, at times, lacks the financial incentives to convince business-leaders and key stakeholders (e.g. shareholders) to buy-into the voluntary changes. My findings also show that business-case and ethical frames are mostly mutually supportive, and can thus, work in conjunction with one another. Therefore, the most successful changes to labour standards are achieved when business-case and ethical framing are effectively used in conjunction with each other.

The second independent variable is the ‘interaction’ between member firms that engage in PVR. Interaction describes the type of inter-organisational dynamics and processes that dominate the relationships between member companies in

collective organisations. On the one hand, ‘competition’ between firms can be harnessed to create a dynamic driving force for firms to unleash effort and innovation towards creating widespread engagement and profound improvements to labour standards. Stonewall’s principal PVR measure and an extremely competitive tool is the ‘Workplace Equality Index’ (WEI) which is a free, voluntary, and competitive benchmark that collects and evaluates workplace data from UK organisations of all sizes, sectors and industries (Stonewall 2020). In 2018, over 430 organisations participated in the WEI and Stonewall then uses this data to compile an annual list of the ‘Top 100’ UK employers for LGBT equality. Stonewall effectively uses this tool to harness the competitive nature of firms to drive them towards ever-increasing levels of best practice which is also substantiated and checked using rigorous evidencing. Competition is therefore a useful interaction mechanism between firms in collective organisations and can effectively lead to improved labour standards.

On the other hand, ‘cooperation’ is the principal mechanism of firm interaction within the membership of BITC, as it aims to disseminate and create a voluntary exchange of ‘best practice’ standards. In some cases, this leads to collective PVR projects and to greater commitments of those firms that are engaged. In other cases, however, firms are merely seeking to cosmetically improve their brand image by gaining access to BITC’s prestigious business networks. The cooperative projects and sharing of best practice between firms can have an add-on flavour and may lack a tangible impact on the lives of employees. The resulting changes to labour standards in workplaces through these cooperative interventions are therefore at times slim. Once again, however, competition and cooperation are not mutually exclusive, and the strongest effects on labour standards are found in those firms, such as case study 8 (a large governmental organisation) that simultaneously competes with other firms, and yet also actively shares best practice through inter-firm cooperation.

The third and final independent variable is the ‘governance’ of PVR within each individual firm. First, ‘top-down governance’ of PVR often results in tangible improvements to strategies, policies and company structures, such as in my case study 4 (a medium-sized law firm); although top-down governance at times lacks an effective translation of policies into practices and employee-level engagement. Top-

down driven PVR changes can therefore remain tokenistic, such as in case study 1 (a small consulting firm). Second, 'bottom-up governance' enables individuals and especially employee network groups, to actively take ownership of PVR and disseminate changes from within the firm. Moreover, bottom-up governance has an empowering effect on individuals and employee networks as it creates a shift in the power distribution, whereby employees can directly feed information back into management decision making. This was particularly apparent in case study 7 (a large higher education (HE) organisation), where bottom-up governed PVR led to widespread improvements of labour standards. Conversely, however, without top-level support, bottom-up governed PVR changes can remain without a direction, strategy, or necessary resources – thus, lacking formal implementation (e.g. case study 3, a small information technology (IT) firm). Therefore, the most effective governance of PVR within firms is an integrated, dual approach from both top-down and bottom-up, as in case study 10 (a medium-sized governmental organisation).

The final analytical category of my theoretical framework is the outcome variable itself: 'labour standards' which also has two dimensions. First, the 'breadth' of changes to labour standards through PVR is indicated by the number of firms which decide to affiliate with BITC and Stonewall and/or engage in their PVR measures<sup>3</sup>. This provides a horizontal, quantitative account of the breadth of the reach of PVR. Second, the outcome variable contains the 'depth' of changes to labour standards. When PVR is successful, the improvement of workplace policies and practices can manifest themselves in various ways, such as the reduction of discrimination against LGBT people, the creation of inclusive hiring practices or CSR programmes, or even changes to organisational structures and physical buildings (e.g. ramps for disabled staff). The variable 'labour standards' therefore provides a vertical, qualitative account of the depth changes that are achieved through PVR. The operationalisation of labour

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<sup>3</sup> Although this was the exception rather than the norm, some employers would actively participate in PVR through organisations such as Stonewall and BTIC, however without being officially affiliated. For instance, a firm might regularly participate in Stonewall's WEI benchmarking tool, attend its events and even book its training sessions, however without officially becoming an affiliated Stonewall member.

standards thus provides an indication of both the 'breadth' and 'depth' of the overall impact of PVR on the workplace policies and practices of firms.

What is paradoxical about my argument is that it is precisely the three above-described weaknesses of PVR that – when effectively shaped through private actor agency – incidentally, become PVR's strengths, leading PVR to have broad and deep impact on labour standards. First, rather than being coercively enforced, the framing of PVR through the lens of profitability and morality lead to an approachability and trust between collective organisations, such as BITC and Stonewall, and their member employers. Second, rather than setting any static standards of regulation, PVR can through competition and cooperation lead to ever-evolving sets of best practice standards. Third, rather than being superficial or tokenistic, top-down and bottom-up governed PVR can together lead to deep-rooted changes in firms' organisational culture which actively gives workers a voice. Under these conditions, PVR can be described under the concept of: 'the strengths of weak regulation'.

The core value of this study is to unpack the processes associated with the three independent variables and to demonstrate through detailed empirical findings how – under the described actor-centric conditions – PVR can in fact successfully contribute towards raising labour standards. My argument does not, however, imply that PVR should be used to replace, crowd-out or forestall other forms of harder regulation, such as employment law or joint regulation through employer-employee negotiations. While the relationship between PVR and other forms of employment regulation are rather peripheral to this study, I contend that more firmly institutionalised forms of regulation through collective bargaining and legally binding forms of workplace legislation are essential in order to provide the foundational structures on which better labour standards should be established. PVR could thus potentially build-on and complement these more firmly institutionalised forms of employment regulation, by acting in the shadow of existing employment laws and collective regulation mechanisms. In agreement with Linda Dickens' (1999) three-pronged regulatory approach, my work argues that a multi-level regulatory framework where more, as well as less institutionalised forms of regulation can potentially overlap, support, and mutually reinforce one another.

## 1.3 Thesis outlook

In the following Chapter Two, I lay out the existing literature on employment regulation in general, as well as PVR more specifically and its associated critiques. I then point to limitations in the literature on PVR. In the subsequent Chapter Three, I develop in more detail my theoretical argument which builds on the existent concepts of framing, firm interaction, and firm level governance. I claim that these independent variables could potentially have a significant impact on the strength of PVR in shaping and influencing labour standards. In Chapter Four, I layout my research design and methodology, including my usage of three qualitative and one quantitative method to gather and triangulate evidence surrounding two collective organisations, BITC and Stonewall, as well as ten of their member firms. Chapters Five, Six, Seven and Eight detail my empirical findings and demonstrate why PVR should not simply be brushed aside as a weak form of regulation since when private actors manage to successfully shape and influence the impact of PVR through my three independent variables, then the effects of PVR on labour standards can, in fact, be very significant. In Chapter Nine, I bring these findings back into relation with the literature and demonstrate a paradox, namely that it is precisely those features of PVR which lead critics to condemn it as a weak and ineffective form of employment regulation that can, through private actor agency, lead to its greatest strengths. Thus, those very attributes of PVR which are allegedly considered fundamental weaknesses can, under the right conditions, become considerable strengths. Finally, in Chapter Ten, I highlight the relevance, value, and implications of my research, as well as its potential flaws and limitations, before providing an outlook on potential future research.

## CHAPTER TWO: Literature review

In this chapter, I ground my thesis in existing literature and relevant academic debates surrounding employment regulation more broadly, and PVR more specifically, and their potential in to raise labour standards. To achieve this, I first define the concept of employment regulation and introduce two central types of regulation that dominated the 20<sup>th</sup> century in Britain, namely joint regulation with trade unions and public regulation through the state. I then present PVR as a relatively new and growing type of employment regulation that has hitherto largely remained a lacuna in the IR literature. I briefly outline the role that PVR has played in regulating global supply chains and national labour markets (particularly the UK), as well as the topic areas of EDI and CSR, and finally, through the lens of collective organisations in the British context. In the second section, I highlight three of the most significant critiques of PVR that have led many IR researchers to conclude that PVR is a relatively weak, unreliable, and inconsistent way of shaping and influencing labour standards. Following this, I point to two gaps in the literature which lead us to question whether the widespread negative evaluations of PVR are misplaced or exaggerated. I conclude that PVR as a potential way of raising labour standards must be re-examined; firstly, within the national British context, and secondly, from the hitherto unexamined perspective of private actor agency.

### 2.1 Introducing employment regulation

Employment regulation can be defined as the set of rules that govern the employment relationship. In the context of this research, two relevant sets of questions are connected to the topic of effective employment regulation, namely: First, how can we ensure that employers behave responsibly towards their employees; that workers are treated fairly in the workplace; that individual personnel are not harassed; and that all people have equal access to employment and promotion opportunities without being

discriminated against – regardless of attributes such as their age, disability, gender reassignment, marriage or civil partnership, race, religion or belief, sex or sexual orientation? Second, how can we ensure that employers are contributing towards solving contemporary societal problems, such as poverty and inequality, rather than further entrenching these issues; and that organisations behave responsibly towards the communities which they are embedded in and the natural environment they interact with? These sets of questions are related to two significant substantive topics in the field of IR, namely: (1) ‘equality, diversity, and inclusion’ (EDI) and (2) ‘corporate social responsibility’ (CSR). The two topics are relevant to highlight not only because of their importance to employment regulation in general, but also because they are the focus of my two collective case study organisations. Stonewall, as an LGBT charity, is centred in the field of EDI; whilst BITC is a business membership organisation which is principally concerned with CSR<sup>4</sup>.

### **2.1.1 Aim and extent of employment regulation**

The regulation of work and employment is an important and necessary concept to provide stable economic, political and workplace environments (see Stone 2004). One of the most significant and researched functions of employment regulation is the aim of achieving a greater balance of power between employers and employees within the employment relationship (see Blades 1967). This is because most IR researchers assume that employers, who are typically in control of the firm’s capital and who formulate the rules within the workplace environment, are automatically in a position of greater power, as opposed to the workers whom they employ (e.g. see Ackers 2014). The purpose of employment regulation is therefore essentially to “limit the abusive exercise of employer power” (Blades 1967, p. 1404) and to guarantee minimum standards in the working environment to avoid a so-called “race to the bottom” of working conditions, environmental practices or the erosion of labour standards (Singh and Zammit 2004; p.85; Belman and Belzer 1997). In the absence of effective employment regulation, employers would otherwise potentially be inclined

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<sup>4</sup> BITC however, is also at times concerned with issues in the field of EDI, as evidenced for instance in its ‘race equality campaign’ (BITC 2020).

to exploit their workers to minimise labour costs and to maximise the profits of business shareholders (see Greenstone 2002; Chan 2016). Additionally, employers could be incentivised to ignore externalities to their business interests, such as social cohesion, environmental protection, or social and economic inequality (Chan 2003). Moreover, changes in corporate behaviour through effective employment regulation may provide a powerful pathway toward addressing widespread societal challenges and achieving meaningful change (Morrill et al. 2003).

An important question to clarify however, is: what ‘types’ of regulation are included in the term ‘regulation’? This is particularly significant because for some, regulation merely signifies those hard, comparatively unbending laws or contracts that restrict the behaviours of employers (see e.g. Deakin et al. 2005). For instance, in the political sciences the term ‘regulation’ often merely refers to statutory laws and their enactment through governmental institutions (see Blades 1967). For others however, employment regulation additionally “consider[s] the various public, voluntary, and private sector groups that may influence employment systems” (Lucio and MacKenzie 2013, p. 238-239). Regulation can therefore include softer laws and mechanisms, and even self-imposed regulatory tools and measures (i.e. PVR) that can influence the employment relationship through more indirect pathways (see Bartley 2007):

*‘Employment regulation is defined as all laws, rules, standards, guidelines, measures, processes and mechanisms which, either directly or indirectly, shape and influence labour standards. Employment regulation can be formulated, implemented, monitored and enforced either externally by governmental bodies, collective organisations, or internally, by the target firm itself.’*

Another interesting set of questions is concerned with the effectiveness of different types of regulation: Which social actors are best suited to formulate, implement, monitor, and enforce the regulation of labour standards? Should regulatory action flow from the state, from joint regulation through labour-management negotiations, or alternatively from the private voluntary sector? Additionally, should regulatory power be located at one single source or should it be negotiated between different groups and actors? To address these issues in the



subsequent sections, two traditionally dominant types of employment regulation are explored, namely joint regulation between trade unions and employers and public regulation through the state. This is important since it locates the historical development and increasing usage of PVR within an existing regulatory and political context. It is also significant because it helps us to understand that PVR does not operate in a regulatory void, particularly within the national setting of the UK (see Dickens 1999). Instead, various forms of regulation are interrelated and overlapping – arguably either forestalling and displacing (Wrench 2005; Heidenreich and Zeitlin 2009), or alternatively reinforcing and strengthening one another (Amengual 2010; Toffel et al. 2015).

### **2.1.2 Rise and decline of joint regulation**

Until the last third of the 20<sup>th</sup> century, employment regulation in many countries was dominated by the joint negotiations between workers and their trade unions on one side, together with employer-managers and their employers' organisations on the other (Millward et al. 2000). Employer organisations emerged with the intent of countervailing the growing power of trade unions which provided a threat to their collective interests (Slate 1957; Gospel 2017). This is why the evolution of trade unions and employer organisations were closely intertwined (Barry and Wilkinson 2011). Collective bargaining agreements were negotiated between these opposing actors out of their own accord<sup>5,6</sup>. They regulated the conditions of the employment relationship, including wages, working hours and conditions, holidays, as well as other worker compensation, benefits, and rights (see Terry 1999). In many post-war political economies, unions and employers' organisations became more formally integrated into the regulatory systems through corporatist or tripartite economic governance

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<sup>5</sup> Confusingly, some academics have referred to this type of joint regulation in the UK as voluntarist (see e.g. Cox 1958). However, to avoid any confusion, this thesis will refer to voluntarism and voluntary regulation only when discussing PVR.

<sup>6</sup> It should also be noted that while collective bargaining is often considered voluntary, both today and historically, employers frequently refused to acknowledge trade unions as a legitimate social actor. Some employers were thus rather forced to (rather than to voluntarily) engage in collective bargaining in the face of the collective power of labour.

(Streeck and Schmitter 1991). In the UK however, joint regulation remained largely independent from the state (Clegg 1979). Nonetheless, collective bargaining systems often became officially responsible for setting-up national training systems, minimum wages or even the regulation of national insurances. In the context of joint regulation, trade unions were the central institutions that ensured employers remained accountable for their actions, by relying on cooperative negotiations, as well as occasionally on more disruptive tactics, such as strike action (Howell 2005).

Beginning in the 1970s however, and particularly after 1979, Margaret Thatcher's Conservative Government removed its support for collective bargaining institutions and instead began to push for a market ideology that was based on individual rather than on collective rights (Freeman 1995). Privatisation, deregulation, and trade liberalisation became the mantras of the British political economy (Crouch 2009). The aim was to increase competitiveness by eliminating those institutions from the post-war period that were deemed unsustainable and inefficient, and thus apparently limiting economic growth. Most importantly, the Thatcher Government changed collective labour laws, making it much more difficult for unions to use the strike weapon to pressure employers (Freeman and Pelletier 1990). Trade unions became the scapegoats, as they were argued to not fit into the modernising, neoliberal agenda and were therefore stigmatised, marginalised, and crowded out (Martinez Lucio and MacKenzie 2004). This neoliberal ideology increased the relative power of management over labour in the employment relationship, which is why employer-managers typically responded favourably and encouraged these developments (see Baccaro and Howell 2011).

The described developments marked the waning of trade unions and decline of collective bargaining in Britain that has continued until the present day and has resulted in joint regulation becoming comparatively weak in shaping and influencing labour standards (Visser et al. 2015). Some argue that the continuing decline of joint regulation and the comparatively minor efforts of the state to protect workers' rights using statutes, as well as the negligible attempts of employers to self-regulate, have induced them to call the time-period beginning in the late 1970s a phase of 'employment deregulation' (Colling and Dickens 1998). Others disagree. They argue

that the decline of joint regulation has opened-up more space for new forms of significant employment regulation – inducing them to call this phase a period of ‘regulatory change’ (MacKenzie and Martinez Lucio 2014).

### **2.1.3 Growth and limits of public regulation**

Historically speaking, the public regulation of work and employment by the British government is still relatively new. Until the 1960s, the function of statutory employment law was essentially auxiliary to the above described joint regulation and only played a comparatively minor role in regulating labour standards (Heery 2011). At the time, there were three principal types of supplementary work and employment statutes (Heery 2011). First, employment laws provided minimum standards on issues related to health and safety (see Tombs and Whyte 2013). Second, statute endowed trade unions with immunity from civil action by employers (see Ewing 1998). Third, the state provided some legal protection to those specialised and more vulnerable workers, such as young workers and women, who would have otherwise been extremely difficult to organise into unions and were therefore out of reach of collective bargaining and joint regulation (Davies and Freedland 1993, p. 29).

It was not until the Contract of Employment Act 1963 that an exponential growth of statutory employment regulation began to swamp the existing joint regulatory system of work and employment (Heery 2011). The most notable increase in public regulation and juridification of IR was in the early and mid-1970s. This period saw the introduction of individual statutory rights for employees surrounding unfair dismissal, race and sex discrimination and maternity rights (see Hepple et al. 2000). Many of the changes to individual and collective labour laws in this period either originated in Europe or reflected broader international currents, including a switch from protective to equality legislation that was led by the United States (USA). Following this, between 1979 and 1997, consecutive Conservative Governments aimed to relax or remove some of the existing employment laws that had been established.

During the past two decades there has been a renewed expansion, particularly regarding EDI-related statutory rights for individual employees (see Cole 2017; Gibney 2017). This was particularly apparent, in view of increases in “conflicting policy development which has sought to extend employment rights and to better align workplace regulation with prevailing concerns” (Carter et al. 2009, p. 263). Especially, the 1997 New Labour Government saw the introduction of some fundamental reforms, including the Working Time Regulations 1998, National Minimum Wage Regulation 1999, Maternity and Parental Leave etc. Regulations 1999, and the Part-time Workers Regulations 2000. Since 2010, the Conservative-Liberal coalition and the subsequent Conservative government from 2015 onwards have been comparatively reluctant to increase statutory employment regulation. Two exceptions to this are the increased protection of agency workers, and the Equality Act 2010 which was however passed in the aftermath of the Labour Government (see Williams and Scott 2016; Hepple 2010). Nonetheless, to this day, the British rule of law remains one of the principal ways in which work and employment is shaped and regulated in the UK, whereby the Houses of Parliament pass new legislation which is then upheld through the juridical system of courts, employment tribunals and governmental institutions.

Yet, despite the central role that public regulation currently plays in shaping and influencing UK labour standards, it nonetheless receives a lot of resistance and criticism from various camps (e.g. Bell and Heitmueller 2009). On the one hand, some employers and “deregulationists” as Heery (2011a, p. 2) calls them, deem public regulation to be inefficient and warn against the increased burden on business of intensified public regulation or ‘command and control’ forms of legislation (see Chartered Institute of Personnel and Development 2015). They tend to argue that legislative regulation can easily become ‘red tape’ (see Sisson and Marginson 2001), potentially leading to over-regulation which might constrain competitiveness, productivity, and business growth (Carter et al. 2009, p. 263). Some legislation<sup>7</sup> is also more likely to encounter resistance from employer-managers (whereas, in comparison, conflicts of interests are argued to be more easily and flexibly settled

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<sup>7</sup> Other legislation may shift power in favour of employers and is thus unlikely to result in ‘resistance’ (e.g. see Grady 2017).

through PVR measures) (Kuruvilla and Verma 2006). Some deregulationists also argue that public regulation is associated with greater costs to both employers and governments, as they consider them time-consuming and bureaucratically complex (see Carter et al. 2009). This is particularly relevant for small-medium enterprises and micro-businesses which tend to lack in-house human resource management departments, because their need to comply with regulatory and administrative demands is disproportionately higher than for larger employers<sup>8</sup> (Kuruvilla and Verma 2006).

On the other hand, “regulationists” (see Heery 2011a, p. 2) also critique public regulation, arguing that labour laws are too weak and ineffective for several different reasons. For instance, they contend that public regulation is inflexible and criticise its usage of ‘one-size fits all’ approaches, as this might leave the regulatory strategy with gaps which businesses might then exploit by simply attempting to avoid compliance (see Streeck and Thelen 2005). The effectiveness of employment law is also called into question since it often remains limited to “minimum compliance standards” (Gjølberg 2009, p. 605), and can frequently also encounter difficulties of implementation and monitoring, such as in areas like maternity rights (see Bryers and Teijlingen 2010). Finally, Dickens (2009) is particularly critical of the legal system’s emphasis on individual over collective rights, as well as its lack of effective enforcement mechanisms.

When the focus is on public regulation and the employment rules that are made by the state or by supranational governments (e.g. the European Union (EU)), an essential distinction needs to be pointed out between ‘hard’ and ‘soft’ public regulation. Hard regulation refers to those authoritative legislative rules which are legally binding and justiciable as they can be enforced by courts or inspectors that can use sanctions (Trubek and Trubek 2005; Kuruvilla and Verma 2006). At the EU-level for instance, these are generally formulated as directives through the ‘Community Method’ (see Jacobson 2004) and address overarching issues such as health and

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<sup>8</sup> The reason why business constraints of regulation are supposedly disproportionately higher in small firms is that many some compliance costs are fixed or do not increase proportionately to company size. Furthermore, large firms are argued to be able to “capture” the regulatory design in order to favour their interest and abilities, whereas small firms cannot (Carter et al. 2009).

safety which are then implemented through a variety of nation-specific instruments (Sisson and Marginson 2001). In contrast, soft regulation tends to be formulated as advisory guidelines and is thus more permissive, typically leaving room for multiple interpretations, recommendations, and opinions (Trubek and Trubek 2005). It relies more on voluntary compliance and thus on mechanisms such as moral suasion, peer group audits or benchmarking (see Kuruvilla and Verma 2006, p. 20). Soft regulation has increased since the end of the 20<sup>th</sup> century, particularly at the level of the EU with the 'Open Method of Coordination' (Jacobsson 2004). Marginson (2001) further argues that the EU's preference for soft regulation measures is due to issues of sovereignty over member states and the need to synchronise 'upward harmonisation' with 'minimum standards'. This is because those with the lowest standards will want to avoid upward harmonisation for fear of impact on their competitiveness – which is why they will often simply not comply (Kitching 2016).

While the debate between hard and soft public regulation has tended to be polarised (Trubek and Trubek 2005), Dobbin and Sutton (1998), amongst others, suggest that different forms of regulation located somewhere along on a continuum. New forms of hybrid regulation have also emerged during the past decade, which are attempting to combine harder and softer components into one regulatory strategy. Hybrid forms of public regulation generally recognise the limitations of both hard laws and softer public regulations. 'Command and control' forms law has limited capacity to predict its consequences in multiple contexts, soft laws can be naïve in ignoring barriers which need to be overcome to achieve implementation (Deakin et al. 2012, p. 119). For instance, 'reflexive law' or 'reflexive regulation' attempts to find a balance, on the one hand between heteronomy and autonomy, and on the other between central regulation and deregulation (see Deakin et al. 2012; Luhmann 1995, 2004). Another interesting concept which attempts to find some sort of balance is that of 'social regulation', which could be described as combining the strategies of joint and public regulation:

*"Social regulation offers something which legal regulation does not, in that union representation provides workers with a 'voice mechanism' (...) women and other social groups can play an active role in defining, developing and sustaining equality initiatives" (Dickens 1999, p. 14).*

### 2.1.4 Rise of private voluntary regulation

Within the context of widespread changes to the nature of employment regulation (Dickens 2004), a third and final type of regulation has increasingly gained traction over the past decades and is the central focus of this study, namely: 'PVR' (e.g. Campbell 2007). It describes the phenomenon whereby private actors aim to shape and influence labour standards through a variety of voluntary, and often experimental and innovative measures (e.g. see Locke and Romis 2010; Hoque et al. 2014). For example, PVR may take the form of codes of good corporate conduct (see Locke 2013), or it may refer to schemes which encourage employers to voluntarily participate in environmental or community projects (Marinetto 1999). Some employers also choose to voluntarily publish relevant data surrounding the treatment of their employees or create intra-organisational networks of (mostly vulnerable) workers (see Briscoe and Safford 2008). Over the past decades, PVR has increased both on the international level of global supply chains (e.g. see Bartley 2018), as well as within national settings, such as the UK (e.g. Williams et al. 2017).

There are two useful distinctions which are helpful to differentiate PVR from the above-described joint and public regulation. Firstly, PVR is exercised by private actors, such as employers themselves or independent private organisations, including collective organisations. Secondly, in PVR, employers voluntarily ascribe to changing workplace standards, rather than being explicitly coerced to do so by any force exerted through the law or collective employee bodies<sup>9</sup>. It is very important to note however that some forms of regulation remain difficult to categorise, as many emerging regulatory initiatives are located at the intersection between joint regulation, public regulation and PVR (e.g. soft or reflexive regulation; see Dickens 2004; Deaken et al. 2012). Thus, it is at times difficult to clearly 'classify' these regulatory initiatives into distinct regulation categories.

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<sup>9</sup> While employers are not explicitly coerced to participate in PVR, according to the so-called 'private compliance model', PVR nonetheless works through implicit and often extrinsic pressures that are placed on employers and their brand images, such as through consumers or interest groups (see Locke 2013).

PVR has recently received considerable academic attention in a particular context, namely in global supply chains (e.g. see Neilson 2008; Riisgaard 2009; Henson and Humphrey 2010; Locke 2013; Williams et al. 2015; Bartley 2018). Arguably, due to a lack of effective joint or public regulation of international labour standards; PVR has taken on a central role in regulating labour standards at this level (Bartley 2018). This is despite PVR generally being viewed as not being up to the challenge of effectively regulating global supply chains (Locke 2013). Although my thesis is empirically focused on UK-based PVR, it is nonetheless essential for me to briefly review the literature on PVR in global supply chains in the following subsection, as these studies contain valuable insights into the functioning of PVR, as well as its potential strengths and weaknesses. Following this, the emergence and growth of PVR within national settings, including the UK is highlighted. I outline the increasingly central role that PVR has come to play in two relevant topic areas related to work and employment, namely in: EDI and CSR. Finally, the role of PVR within collective organisations, including BITC and Stonewall, is briefly highlighted.

### **PVR in global supply chains**

The role of PVR within the international arena of global supply chains has received considerable academic attention over the past decade (e.g. see Locke 2013; Pearson and Seyfang 2001; Kurruvilla and Verma 2006; Vogel 2008; Yu 2015). Toffel et al. (2015) explain that the exponential growth of PVR in global supply chains started to occur towards the last third of the 20<sup>th</sup> century, when firms in Western, democratic countries began to outsource the manufacturing and assembly of their consumer goods to developing – particularly Asian – nations, on an ever-growing scale. However, the widespread development of global supply chains has been coupled with a lack of effective joint or public employment regulation on the international level (Kurruvilla and Verma 2006). Joint regulation through management-union negotiations are limited in most developing nations as they often do not have the necessary negotiating institutions with low union coverage and density (Locke 2013). Public regulation is also limited. Although many of the developing countries officially have stringent labour laws, but due to an inability or unwillingness to monitor or enforce these laws, real



labour standards generally remain low (Toffel et al. 2015). The inability has been related to the cost of enforcement, whereas the unwillingness potentially arises from a fear of driving out foreign investments (Locke and Romis 2010). Hence, neither of the two traditional employment regulation methods have, so far, proved effective in regulating labour standards in global supply chains.

This apparent (albeit disputed, see Bartley 2018) 'regulatory void' has led to a series of labour rights violations which have intermittently captured the public's attention (Locke 2013). These range from the extensive usage of child labour in sub-contracting factories for large multinationals such as Nike; excessive overtime, underpay and mental health scandals leading to disasters such as the mass suicides of factory workers in Apple's supplier factories operated by Foxconn in China; all the way to health and safety disasters such as the Rana Plaza 2013 building collapse in Bangladesh (see Reinecke and Donaghey 2015). In response to these events, the protection of labour standards in global supply chains have increasingly moved into the hands of multi-national companies and civil society organisations, who have used PVR and multi-stakeholder initiatives to regulate workplace standards (Person and Seyfang 2001; Locke 2013).

These PVR initiatives in global supply chains have taken on a range of forms. For instance, many multinational companies and global brands either developed their own – or adopted from other firms, civil society organisations, or private regulating bodies – different types of corporate codes of conduct to establish internal standards which govern issues such as wages, working hours, conditions, health and safety within their supply chains (Pedersen and Andersen 2006). Several consumer facing companies also introduced monitoring programmes wherein the brands themselves or external organisations employ auditors to intermittently examine and evaluate supplier businesses to ensure their compliance with the brands' codes (O'Rourke 2003). In some forms of PVR, other actors are involved beyond the target organisation itself. For example, in global supply chains there are multiple certification regimes, whereby product labels were developed, often through multi-stakeholder engagement, such as 'B-Corporation', 'Fair Trade', or 'SweatFree' (Locke 2013). These labels function as signals to consumers that products are made under certain

conditions surrounding a specific issue, such as fair working standards or environmental sustainability (Mueller et al. 2009). Finally, the United Nations' Global Compact outlines ten non-binding principles in the areas of human rights, labour standards, the environment and anti-corruption which companies are encouraged to uphold together with United Nations agencies, labour groups and civil society (Cetindamar 2007).

Through these developments, PVR began to occupy the central position in the regulation of working standards in global supply chains from the late 1990s. This was intrinsically related to the neoliberal discourse of markets that self-regulate as a form of voluntary social and moral action which flowed primarily from the American dominance over the international market (Kurruvilla and Verma 2006; Locke et al. 2007). As Locke put it: "[brands] committed, in short, to using private voluntary regulation to address labour issues traditionally regulated by government or labour organisations" (Locke 2013, p. 1). It should be noted however, that PVR in global supply chains is often extremely complex with a multitude of different actors, as well as both national and international strategies contributing to its creation. The responsibilities and authority over PVR are often dispersed across both national regimes, global buyers, and a myriad of suppliers (Locke 2013, p. 9).

IR researchers have generally assessed the effectiveness of PVR in global supply chains negatively (Kurruvilla and Verma 2006). Researchers have identified a wide range of problematic issues and PVR has become increasingly known as a weak and ineffective form of regulation (e.g. see Kurruvilla and Verma 2006). Nonetheless, despite the wide array of problems with PVR, more recent studies (e.g. Locke 2013; Bartley 2018) have argued that under certain structural conditions, PVR in global supply chains may be effective. For instance, Locke specifies that when long-term relations are firmly established between buyers and suppliers through a strong rule-making state, this can ensure that the risks and rewards of doing business are distributed evenly and therefore that realistic incentives are created to engage in effective forms of PVR (2013). He further observes that when the state develops effective public regulation, PVR initiatives tend to effectively reinforce those rules and laws (*ibid*). Nonetheless, the prominent and relatively negative evaluation of PVR in

the context of global supply chains has had a vastly damaging impact on the image of PVR in national settings. Its effectiveness in regulating workplace standards is overwhelmingly considered weak. While much of the debate over PVR has emerged from this international business context, there is also an increasing number of examples of PVR from national contexts which entail entirely different challenges, as well as different opportunities. These are discussed below.

### **PVR in national contexts**

PVR has also taken on a growing role in national-based regulation systems, including the UK. According to Gjølborg (2009), the role of private business in Western democracies has fundamentally changed over the past decades. In some national contexts and particularly in liberal market economies, including the UK, companies enjoy relatively widespread freedom from harder forms of regulation, since joint regulation through collective bargaining has declined and employment laws remain minimal compared to coordinated market economies, not least because of the lobbying efforts of companies themselves to restrain increases in legal regulation (Gjølborg 2009, p. 605; Hall and Soskice 2001). In this relatively liberal environment, businesses have, alongside the law, assumed greater responsibilities, arguably out of their own volition, to uphold labour standards, creating a space for national-level PVR (e.g. see Wright and Kaine 2015). However, although the roles of national-level PVR has inarguably grown during recent decades, it has remained somewhat of a lacuna in the context of British IR research.

The origins of PVR in the UK were during the post-1979 riots and in the context of the New Right Government's commitments to neoliberalism and privatisation. Molina (2014) contends that during this time-period, the narratives of deregulation and individualisation created strong pressures towards diminishing collective bargaining and state regulation of working conditions. As Carter et al. (2009, p. 263) explain: "[the] Conservative Government's intention [was] to reduce the administrative requirements of business in order to release enterprise from the burdens of bureaucracy". Tony Blair's Third Way administration also sought to reconcile right-wing and left-wing politics by promoting "voluntary programs, private

sector partnerships, and corporate social responsibility initiatives” (Bartley 2018, p. 12). In response to this, there was an increase in negotiated self-regulation. Simultaneously under PVR, the aims of employment regulation were broadened beyond the correcting of market inefficiencies or addressing power inequalities between labour and capital, and increasingly addressed various other purposes, including humanitarian, social and environmental considerations. Government supported this development, primarily under the banner of lightening “the regulatory burden on business while providing a minimum rights structure” (Dickens 2004, p. 608). Thus, Britain’s regulatory frameworks began to diversify, especially through PVR initiatives, thereby giving rise to a more complex institutional setup of employment regulation, including joint, legal, as well as voluntary regulation in conjunction with one another.

This created room for a range of new regulatory actors, including employer forums and civil society organisations, which entered the stage of employment regulation and were enabled to act across different ‘regulatory spaces’ that were adjacent, at times inter-locking and changing through time within a complex economic arena. Majone (1995) describes this gradual transition from the older, more traditional model of British employment regulation with a centralised state making the rules within a Keynesian system, and the gradual move towards a more interactive and cooperative regulation system. These new IR actors exist at both the micro and the macro levels (Heery and Frege 2006), dealing with operational, strategic and policy issues, and can be both formal and informal (MacKenzie and Martinez Lucio 2014). Overall, businesses have taken on a greater role in regulating work and employment standards out of their own volition. Martinez Lucio and MacKenzie (2004, p. 86) even go so far as to proclaim that the UK’s “new locus for employment regulation is the firm itself.” There are two substantive topics, wherein PVR has taken on a particularly significant role in regulating British labour standards, which are subsequently highlighted in more detail. The first is the field of EDI, and the second is that of CSR. These two subjects are central to this research project as my two collective organisation case studies respectively deal with these two issues.

**PVR in equality, diversity, and inclusion**

Özbilgin and Tatli (2011) argue that the development of EDI within neoliberal economies is an example of how an issue which was originally conceived in the IR tradition can increasingly move towards more neoliberal ideals, first in the USA and later in the UK. According to them, equal opportunity, as it was called during its humble origins in the late 1950s, was characterised by harder, collective regulation, including the American Civil Rights Act 1964 which outlawed discrimination in broad strokes under John F. Kennedy. However, they argue that neoliberal actors and particularly diversity managers, used their increasing power to effectively ‘pull’ the field of EDI towards softer, more voluntary, more instrumental, and individualistic forms of workplace relations management. They argue that this development was in fact strategic, as it allowed employer-managers aimed to weaken the collective power of employees and unions, and the regulatory constraints pressurising them (Özbilgin and Tatli 2011, see also Wrench 2005; Dickens 2007; Kirton and Green 2010). These developments were also congruent with a change in the dominant terms and language used in EDI, namely from ‘affirmative action’<sup>10</sup> and ‘equal opportunities’ towards ‘diversity management’ (Edelman et al. 2001), and the “responsibility for promoting equality in the workplace has been privatized” (Colling and Dickens 1998, p. 391).

Dobbin (2009) however, presents an alternative argument. Rather than private actors actively pulling equal opportunity into their camp, he argues that it was the very weakness of the law that encouraged private actors to step up: “No one knew quite what discrimination was in the eyes of the law” (2009, p. X). Because employers were presented with a tabula rasa, this enabled personnel managers – who now styled themselves as equal opportunity consultants – to sketch equal opportunity programmes with a relatively free hand. Dobbin’s argument was that it was because legislative rules were so vague and the state so weak which then stimulated private-sector activism (2009, p.19):

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<sup>10</sup> Affirmative action is based on policies which purposefully favour members of disadvantaged group that have typically suffered from discrimination in the past, such as women, the disabled or ethnic minorities (Holzer and Neumark 2000).

*“the separation of powers, the common-law tradition, and the sharing of authority with the states – opened government to invasion, allowing activists, social scientists, and more than any other group, personnel experts to champion new ideas about what the law should require employers to do.”*

Thus, equal opportunity was essentially a type of reflexive or layered regulation with the law underlying the private voluntary efforts of personnel managers, who created wave after wave of equal opportunity innovations, transforming many aspects of work and employment, including *inter alia* affirmative action, non-union grievance procedures, disciplinary hearings, job descriptions, salary classifications, centralised hiring, promotion and discharge practices (Dobbin 2009). In this sense, employers used PVR to mediate the law by interpreting and complying with the law, however, through a business-friendly lens.

The shift towards ‘diversity management’ which originated in the USA has progressively also moved to the UK. According to Piore and Safford (2006), these developments in the field of American EDI were accompanied by a shift that has occurred in the axes of social and political mobilisation from identities that used to be rooted in class, occupation and enterprise but are now increasingly occupied by other, more individualistic characteristics, such as race, gender, sexual orientation and disability (Epstein 1998; Cerulo 1997). Piore and Safford (2006) further claim that this is leading to newly emerging identity groups and PVR actors, who can then also exert more moral and symbolic pressures, which is, arguably, in turn impacting the behaviours of traditional IR actors like trade unions, employer organisations and the state (p. 318).

### **PVR in corporate social responsibility**

Another significant topic that is inherently linked to PVR in the UK is that of CSR. Marinetto (1999) explains how during the early 1970s, the context in Britain was characterised by rising social and economic problems. In response, business-led community programmes started to emerge with some large companies, such as IBM, and influential businessmen, such as Hector Laing, then the chairman of United Biscuits, taking the lead (see Kinderman 2012). Many of those social programmes

concentrated on reducing unemployment through small business creation. These developments gathered even more pace post-1979 with Conservative politicians actively seeking to promote private business involvement in community regeneration and in the operation of public services (Marinetto 1999).

Corporate philanthropy was one part of business social involvement in this period (Scott 2007). The other was businesses' direct involvement in social activity, which was encouraged by the British government, a model which had been provided by practices in the USA (Aguilera et al. 2006). In this context, during a high-profile Anglo-American conference on CSR, a group of business leaders backed by the government founded BITC as a national umbrella employer organisation to promote local enterprise agency, as well as business support for environmental protection and education (Marinetto 1999). Thus, CSR can be described 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" (Kinderman 2013, p. 701).*

From a political economy perspective, Maria Gjøølberg (2009) argues that in neoliberal countries such as the UK, the emergence of CSR is best explained through a globalist hypothesis, which is a utilitarian, business-case embedded argument. She contends that because of the problems produced by globalisation, such as sweatshop labour and economic inequality, strong anti-corporate and anti-globalisation movements have emerged. NGOs and consumer groups put pressure on multinational corporations, as well as companies operating in high-visibility sectors, so that in turn they had strong business-case arguments to use CSR in order to obtain a 'social license to operate' in countries like the UK. Moreover, she finds that "stronger institutions for the social embedding of the economy (...) result in stronger CSR performance" (2009, p. 609). However, others are more pessimistic. For instance, Kinderman (2012) argues that PVR-related CSR is not a countervailing force to the proliferation of neoliberalism, but rather a quid pro quo for lighter regulation. He argues that CSR has compensated for some of the social dislocations that result from unfettering markets, thereby legitimating business during the "unleashing" of

capitalism (p. 29). In his view, CSR is in fact a complement to liberalisation which substitutes for collective social solidarity.

Another harsh critic of CSR is Rami Kaplan (2015), who argues that it was not pressure from civil society on business to become more responsible which created the CSR dynamic, but rather businesses themselves that “lured society into a corporate-convenient C[S]R game” (p. 126). He contends that CSR originated out of the initiative from the corporate elite. The aim was to remake and remodel the corporation as a socially responsible entity, thereby pre-empting and forestalling other harsher forms of regulatory constraint. He focuses on what is called ‘corporate liberalism’ which was successful in establishing the notion that corporate capitalism is desirable, and corporations exercise their power ‘responsibly’; thus, state control and collective bargaining could be deemed as unnecessary (see p. 131). Kaplan is also highly critical of the effectiveness of CSR, as well as PVR more broadly, as he claims that in aggregate, they have not achieved a great deal. Thus, corporations are using the PVR-design and CSR framework to ensure their laxity and to simply ignore other regulatory systems (Levy et al. 2010).

### **PVR in collective organisations**

One particularly interesting, relatively new, and yet hitherto under-researched type of PVR-actor in the UK which this study will address are collective organisations. These latter are using a wide variety of PVR initiatives to raise labour standards surrounding many different issues. Examples of these organisations include employer forums (see Bowkett et al. 2018; Demougin et al. 2019), civil society organisations (see Williams et al. 2011), and those collective organisations that were directly or indirectly created by government such as ‘Investors in People’ (see Douglas et al. 1999) or the ‘Disability Confident’ scheme (Hoque et al. 2014). It is also worth highlighting that some trade unions, as traditional IR actors, have reinvented themselves within the PVR sphere, where they act as deliberative partners to the CSR (see Harvey et al. 2017), as well as the EDI framework (Dickens 2000).



These various collective membership groups are prime examples of organisations which aim to positively shape and influence labour standards with the help of PVR measures. There are a variety of collective organisations which focus on one or several social and/or environmental issues, including my two case studies, BITC and Stonewall. They aim to persuade employers to address these issues using a range of PVR methods, such as signing them up to training sessions, giving them bespoke advice, inviting them to informative events or disseminating documents, such as guides, toolkits or draft policies (see BITC 2020; Stonewall 2020).

In the UK, PVR-focused collective organisations first started to appear in the early 1980s<sup>11</sup>. Since then, these organisations have grown to cover a considerable number of issues, mostly surrounding the topic area of EDI. One example is the ‘Employers Network for Equality and Inclusion’ (ENEI). It originally evolved from two separate employer forums called the ‘Employers Forum on Age’ and the ‘Employers Forum on Belief’, which then in 2011 merged to form ENEI. This employer forum covers all the nine protected characteristics under the Equality Act 2010, including age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage and civil partnership, pregnancy, and maternity (ENEI 2018a). ENEI is partially funded through membership subscriptions, and partially through the training and consultancy programmes that it provides to employers that are either members or non-members. ENEI’s programmes focus on a diverse range of issues surrounding the nine protected characteristics and related workplace practices, inclusive leadership, and auditing diversity policies (ENEI 2018b).

Another EDI-oriented collective employer membership organisation is the BDF, a not-for-profit membership organisation which aims to create a more equal and inclusive work environment specifically for disabled staff across the UK (see BDF 2020b). This organisation was founded in 1986 and later gained independent charitable status in 1991. BDF aims to influence, shape, and monitor the workplace standards of its member employers using two central tools. The first is an online management tool called ‘Disability Standard’ (BDF 2020c). It allows employers to self-

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<sup>11</sup> BITC was the first employer forum to appear in the UK in 1982.

assess, measure, and improve their organisational workplace practices surrounding disability. In line with the Disability Discrimination Act 1995 (and later the Equality Act 2010), employers are benchmarked and receive ranks (i.e. Platinum, Gold, Silver and Bronze) in accordance with their scores that demonstrate their commitment to becoming 'disability-smart' (BDF 2020a). The second tool is a group of individuals working at BDF called the 'Technology Taskforce'. The aim is to help improve the accessibility, inclusivity, and disability awareness within the technological design of employers by providing "tools, best practice, networking opportunities and technology industry influence" (BDF 2020d).

A final interesting type of EDI-oriented collective employer memberships which emerged in the 1990s are the so-called 'Employers' Equal Opportunities Groups' which aimed to promote race, gender and disability equality at work (Whitting et al. 1993). These were mainly focused on the field of employment, although some reported an interest in consumers as well and aimed to tackle issues such as unemployment and racism in the labour market. Mostly, they had local memberships which were comprised of public organizations and privatised utilities in larger cities such as Manchester, Birmingham, and Edinburgh. According to some internet research, these groups have ceased to exist. However, Whitting et al. (1993) suggest that their activities included networking, mentoring, the organisation of training and other events, outreach to schools, job centres and the provision of advice/formulation of good practice for member firms.

Not all collective organisations focus explicitly on EDI-related issues (Heery and Frege 2006). For instance, the civil society organisation 'Living Wage Foundation' (LWF) was created by Citizens UK in 2011 after unions, faith and community groups complained that low wage workers in the London area could not support their families, forcing many to work multiple jobs (see Wills and Linneker 2014). Since 2011, the LWF initiative has spread to over 3000 employers that have gained accreditation and are agreeing to pay the Living Wage to directly employed staff, as well as employees of contractors working on their premises who are older than 18 years of age (Heery et al. 2017). Based on estimated costs of living, both in London and the rest of the UK, the LWF calculates its 'Living Wage'. A further success which may be

partially attributed to LWF is that it influenced government policy debates. As of April 2015, the new and confusingly named the 'National Living Wage', which lies below the LWF's 'Living Wage', was introduced as a statutory minimum rate for workers aged over 25 (see Bennett 2014). What is perhaps most surprising regarding the LWF is that when it comes to wages one might assume that this is an issue where employees and employers have fundamentally opposing interests. However, an increasing number of employers are nonetheless voluntarily choosing to sign up to the LWF and pay the living wage (Heery et al. 2017). One explanation for this might be that it signals to employees and customers that 'this is an organisation that cares' which might in turn result in higher employee engagement and better brand loyalty (see Ferguson and Clarke 2017).

## **2.2 Debating the effectiveness of PVR**

Why is PVR often considered a weak form of regulation? What are the principal criticisms that are formulated against PVR which deem it as an ineffective method for protecting workers' rights, regulating the fair and equal treatment of employees, and moderating the impact of businesses on the environment and society at large? What are gaps or limitations within the current debate on the effectiveness of PVR which this research could potentially address?

### **2.2.1 A weak form of regulation**

PVR is widely regarded as a weak and ineffective way of regulating labour standards. For instance, Kaplan (2015) is highly critical of the effectiveness of PVR and claims that through PVR, we are seeing an expression of corporate power, originating within businesses who seek to protect themselves from civil society. He argues that the aim of PVR is to limit more exacting regulation of business activities through the state. In a similarly critical vein, Hoque and Noon (2004) contend that some firms' voluntarily written equal opportunity policies are often so ineffective that they "are not worth the paper they are written on" (p.481). This section specifies three overarching topics of contention within the ongoing debate surrounding the questionable successfulness of PVR in regulating labour standards, namely: (1) PVR's lack of enforceability, (2) the

questionable legitimacy of private actor alliances in the context PVR, and (3) the potentially shallow implementation of PVR within firms.

### **Non-enforceability**

Harder forms of employment regulation are typically considered 'binding', as they tend to lay-out employment agreements or legal forms of statutory regulation, and in conjunction with these, outline substantive or procedural sets of enforcement mechanisms, such as pecuniary penalties (Trubek and Trubek 2005). These deterrence approaches (see Hood et al. 2001) are put in place to ensure that *all*, or at least *most*, employers comply with those employment rules and regulations (Jacobsson 2004). Thus, the 'enforceability' of regulation is regarded as a strength that is associated with both reliability and consistency. In stark contrast however, PVR is per definition voluntary and therefore not enforced; it is neither binding, nor does it entail any legal or other strong deterrence mechanisms in cases of non-compliance (Konrad and Linehan 1995). Even when PVR goes beyond the voluntary commitment of a single employer and involves external organisations, such as a collective body, these private organisations still have no concrete power to coerce employers to behave according to the commitments they make, the policies and practices they (apparently) abide by, the organisational cultures that inhabit them, or the standards, values or principles that underlie them (see Konrad and Linehan 1995).

There are, however, examples where PVR has a stronger 'bite'. For example, although the Advisory, Conciliation and Arbitration Service (ACAS) is officially a public body of the UK government, its codes of good practice are not binding per se and can thus be considered part and parcel of voluntary regulation. Yet, despite their alleged voluntary nature, these codes, can, if disregarded, count against employers in an Employment Tribunal case. Nonetheless, in most instances, PVR is – per definition – considered voluntary and thus, to lack enforceability (Wynn and Pitt 2010). Many organisations will also not (even) revert to softer enforcement mechanisms, such as naming and shaming and will avoid facing reputational consequences in cases of non-compliance with PVR codes. Instead, PVR actors will tend to revert to arguments

related to profitability and moral suasion, and thereby encourage voluntary compliance (Demougin et al. 2019).

This lack of enforceability is one of the most obvious reasons why PVR is often deemed weak and ineffective. Sceptics are often critical of employer-managers' motivations to unilaterally self-regulate employment practices (e.g. Dickens 1999; Wrench 2005). They ask: 'how can PVR be trusted, if the only protections offered to workers are the potentially empty promises of their employers?' In this view, the voluntary commitment of employer-managers is assumed to be unreliable and therefore much less effective than harder forms of regulation in raising labour standards or changing employment practices (Kuruvilla and Verma 2006).

There are many examples in the literature which conclude that because PVR is non-enforceable, it remains weak. For instance, Arya and Salk (2006) found that businesses are increasingly subscribing to voluntary codes of CSR which often remain largely symbolic and ineffective. Similarly, Douglas et al. (1999) describe the voluntary scheme 'Investors in People'<sup>12</sup> as nothing more than a 'plaque on the wall', so that "when the assessor goes home and the award is hanging in the reception area – it's back to business as usual" (p. 169 as quoted in Hoque 2003). Ram (2000) adds to this, stating that the PVR scheme is designed for image management; it is purely a bureaucratic exercise which does not have any real effect, especially after the accreditation has been secured by the business.

#### *PVR as a smokescreen?*

Some critics have gone even further than calling business-led PVR merely 'ineffective'. They claim that because of its voluntary nature, PVR can in some instances create a façade, an illusion whereby PVR is supposedly improving workplace standards, but, in reality, is covering-up malpractices (see Du Toit 2001; Zaman et al. 2010). This may explain Hoque and Noon's (1999) ironic findings, whereby those companies which voluntarily wrote an ethnic minority statement were in fact more likely to discriminate

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<sup>12</sup> Investors in People is a benchmarking programme that was introduced in the UK in 1991 with the aim of encouraging businesses to voluntarily improve their vocational education and training policies and practices (see Douglas 1999; Ram 2000; Hoque 2003; 2005).

against ethnic minority applicants than those who did not have a statement. They contend that some firms are using PVR as a smokescreen to hide unethical labour standards. In a later article, Hoque and Noon explicitly suggest that at times voluntarily written work “policies are exercises in image management (...) a façade behind which unfair practices, prejudice and inequality thrive” (2004, p.482).

### *Preaching to the converted*

A final issue that is highlighted in the context of non-enforceability of PVR is that even while those businesses who ascribe to PVR could in some instances have better practices than non-engaged businesses, the impact of the PVR schemes *per se* might actually be limited (Mawson 1996). Because businesses with better workplace practices and policies might be more inclined to voluntarily engage in PVR, any comparative differences that could be found might therefore not result from PVR initiatives but from businesses pre-disposition to engage in best practices in the first place (Hoque et al. 2005). For instance, Down and Smith (1998) report that most of the firms that signed up to voluntary schemes are in fact simply seeking accreditation for their already existing ‘good’ practices. Those organisations which would gain the most from joining PVR programmes, they argue, are also the ones that are the least likely to join (see Bell et al. 2001). In fact, they suspect that the PVR organisations, such as the BDF or LWF, are deliberately ‘cherry-picking’ those (larger) employers that already have the policies and practices in place to achieve the standard, and thus, to allow these collective organisations to meet their quota targets (see also Mawson 1996; Hoque et al. 2005).

### **Untrustworthy collective business action**

A second, prominent criticism which is formulated against PVR is that the collective PVR actions of businesses are often considered untrustworthy and dubious (see e.g. Kinderman 2012). Critics are sceptical towards closed circles of private actors, such as business networks or employer organisations and associations, which are viewed as reactionary, self-interested or even plainly “immoral” (Plowman 1988; Gall 2004; McKinlay 2011, p. 94). They regard the alliances between employers as dubious and

often self-congratulatory, especially when these groups claim to be focused on creating a wider social and public good, or employee benefits (see Rothschild and Miethe 1999).

### *Conflicts of interest*

Locke (2013) highlights that collective PVR organisations consist of multiple actors with potentially conflicting nature of their interests. PVR, he claims, inevitably produces problems of collective action. Using the two examples of athletic footwear and mobile electronic devices, Locke illustrates in detail the disparate and incompatible interests of the various stakeholders, including the suppliers and the buyers, as well as third party-accreditors, monitors or auditors, NGOs, international organisations, such as the international labour organization (ILO), as well as the state (2013, p. 4-9). He claims that because the inter-organisational relations associated with PVR are often extremely multifaceted, this can lead to a failure of effective regulations of labour standards through PVR. The various actors involved in PVR could therefore result in conflicts of interests, making it difficult to overcome problems of collective action (Olsen 1965).

### *Untrustworthy data*

Additionally, many of the collective PVR initiatives, including benchmarking schemes and award programmes, also fundamentally rely on the gathering of granular company data and to evaluate the workplace practices and policies of participating organisations through the help of audits, surveys, interviews or involves self-reported data (see Arrowsmith et al. 2004). However, in the context of PVR, this data is quite commonly collected and then analysed either by the target firm itself or by a third-party organisation whom it pays to do so (see Bartley 2018). Therefore, critics also tend to view the data that is gathered and analysed for the purpose of PVR to be biased and unreliable, since employers themselves and the organisations that they employ and collaborate with potentially have an inherent vested interest in demonstrating the effectiveness of their PVR schemes and even to whitewash business practices (Mares 2010). Employers could thus be – potentially without great

difficulties – ‘gaming’ the PVR system and manipulating their representation through PVR to gain the advantages of improving their brand image without having to put in the work. For this reason, MacLeod (2015, p.138) refers to competitive PVR initiatives as nothing more than a “tick-box exercise”. Similarly, Locke concludes that in the context of PVR: “the audit process itself (...) is ill-suited at observing, let alone measuring, various components of labour standards” (2013, p. 35).

#### *Lack of minimum standards*

Many critics of PVR remain unconvinced by its lack of tangible, fixed standards of minimum compliance (Bartley 2018). Because PVR tends to struggle to produce viable minimum labour standards, it is viewed as unreliable and inconsistent as employers are often free to do as much or as little as they see fit. Harder forms of regulation typically aim to create specific “minimum compliance standards” (Gjølberg 2009, p. 605). In contrast, collective PVR groups struggle to guarantee any minimum labour standards since the measures and benchmarks are often variable and voluntary. Instead, improved standards are encouraged on a case-by-case basis. This is why many critics fear that shaping and influencing labour standards solely through PVR could, without minimum standards, potentially result in a so-called “race to the bottom” of working conditions and labour standards (Singh and Zammit 2004; p.85)<sup>13</sup>.

Some, most notably Campbell (2007), has attempted to re-define PVR and social responsibility, on a fixed threshold between responsibility and irresponsibility. He explains that the separation between responsible and irresponsible business action is located on a continuum which is contingent on place, time, and involved actors, and critiques that “virtually everyone has neglected the minimum end of the continuum” (p. 951). However, his success defining a fixed minimum standard is questionable, precisely due to the variable nature of PVR for which there are perhaps no fixed standards. This is perhaps why so many others (e.g. McWilliams and Siegel 2001; Margolis and Walsh 2003; Orlitzky et al., 2003) have chosen to focus on definitions of

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<sup>13</sup> There are exceptions to this. For instance, the living wage developed by the Living Wage Foundation does setup a tangible minimum compliance standard of pay.



PVR which specify the ways in which firms aim to create social welfare beyond the both the legal requirements and the direct (economic) interests of the firm.

## Implementation

### *Unitary perspective*

A third topic of PVR contention is that the development and implementation of PVR within individual firms is often considered to be unitary and thus to lack legitimacy (Konrad and Linehan 1995). This is because self-interested businesses are assumed to – out of their own, intrinsic volition – make only tokenistic or transitory adjustments which might be decided during a management board meeting and without consultation of employees or customers who are the most affected by the initiatives. This lack of legitimacy is also one of the core advantages that Dickens (2000) emphasises that joint regulation has over unitary forms legal regulation, whereby workers can have a say in the deliberation and implementation process which lessens their resistance to changes and improves its delivery. This potential lack of legitimacy whereby PVR provides a unitary form of regulatory action without any voice mechanism for workers is potentially a core weakness of PVR.

### *Shallowness*

Due to the lack of employee voice and collective implementation and governance of PVR is often regarded as weak and shallow (Konrad and Linehan 1995). Voluntary changes to labour standards are frequently made on an ad hoc basis and thus do not get embedded or integrated into their organisational structures (e.g. see Charlesworth et al. 2003). For instance, Hoque et al.'s (2014) empirical study assesses the adherence of employers that display the PVR measure 'Positive About Disabled People - Two Ticks' symbol and compare them to employers who did not. They found little evidence to support that the implementation of this PVR scheme delivered any deep-rooted workplace improvements. PVR projects of firms are often also accused of lacking the necessary resources (e.g. time, money, capacity, authority, or skills) to implement consistent changes effectively and profoundly. Due to its voluntary nature,

PVR lends itself to a relaxed approach with regards to who takes responsibility and is accountable for the implementation of PVR measures and thus, PVR can remain ownerless and aimless, potentially resulting in uneven, weak, and unreliable changes to labour standards (Konrad and Linehan 1995).

#### *Short-termism*

The implementation of PVR changes also have a propensity towards short-term changes since the main purpose of PVR is to serve the firms' – and thereby generally, employers' or shareholders' – interests that are often more temporary and fluctuating in comparison to the more substantive, longer-term needs of employees (Wrench 2005). Thus, PVR policies might not effectively translate into enduring workplace practices, leading Hoque and Noon (2004, p. 481) to call PVR-based equal opportunity statements: "empty shells". Businesses may also simply cycle in and out of compliance with different PVR standards depending on variable conditions, such as their momentary financial capacity, who is at the lever of PVR within the business, or also what 'issue' is in the public eye at that time. For instance, if the media is focusing on LGBT equality during a particular month and then on environmental sustainability the next, and during recessions; and during budget cuts, PVR measures may simply be dropped, without implementing any long-term changes to workplace practices (see Haufler 2013).

#### *Inconsistency*

Finally, the implementation of PVR might also be inconsistent both across different types of businesses (e.g. sizes, sectors, industries, or geographical locations) as well as different types of individuals and their roles within the firm. PVR also appears to have uneven, punctuated effects in specific contexts (see Ram 2000). For instance, Gjøllberg (2009) highlights that different types of firms are more inclined to participate in PVR than others. Another example is the PVR gender equality campaign 'Opportunity Now', where Dickens (2000) found that the programme was implemented inconsistently dependent on the job role of the female workers. While she found a positive effect on 'highflyer' women who managed to break through the 'glass ceiling',

there was virtually no improvements for unskilled female workers who remained 'glued' to the 'sticky floor'. She argued that this reflects how PVR measures are potentially designed to fulfil the needs of certain stakeholders such as employer-managers, and not those of others, such as employees, potentially resulting in weak and shallow changes to labour standards.

In consequence, critics claim that the implemented changes to workplace policies and practices through PVR measures are sporadic, informal, and impromptu. Opponents of PVR frequently claim that PVR does not induce employer-managers to embed any real changes from the top-down (Hoque et al. 2014). The soft-touch approaches of PVR allow employers to make minor adjustments as and when it suits them, often leading only to temporary and transitory changes (Charlesworth et al. 2003). Due to its informality and voluntary nature, PVR may thus lack the formal embeddedness of real institutionalised change (see Edelman and Stryker 2005). This is also why PVR is often not even considered a 'real' form of regulation. Instead, critics assume that employers make changes on an ad hoc basis that do not become integrated into the firm's organisational structure. The changes in labour standards that are associated with PVR are criticised of being inconsistent and uneven. Some critics further claim that employers may simply be 'signing-up' to get recognition for what they already do (see Down and Smith 1998).

### 2.2.2 Gaps in the literature

It is important to note that when carefully examining the literature on PVR, authors' differing conclusions regarding the effectiveness of PVR strongly depend on their point of comparison. For instance, some critics of PVR (e.g. Kurruvilla and Verma 2008) have judged the effectiveness of employment regulation based on an absolute standard, such as the ending of all discrimination or exploitation. In those instances, PVR – or any existing form of regulation for that matter – might appear relatively ineffective. Yet, other authors choose to compare the situation before and after the introduction of a PVR measure, or they compare those firms who join a PVR initiative and those who choose not to (e.g. Thomas 1990). From this point of comparison, the

positive effects of PVR are more likely to be evident. No system of regulation is perfectly effective, and some critics do not always recognise this.

There is also an extensive debate in the literature over how different forms of regulation relate to one another. The most common view in the literature is that different forms of regulation can complement or even reinforce other types of regulation, typically without detracting anything from other types of regulation (e.g. see Dickens 1999; Pessoa 2006; Locke 2013; Coslovsky and Locke 2013; Toffel et al. 2015). For instance, Matthew Amengual (2010; p. 405) argues that “private-voluntary initiatives can reinforce, rather than displace, state regulation”. Some even claim that this could lead to a form of multi-layered governance of labour standards (e.g. see Jamali and Neville 2011). Contrastingly, there are some IR researchers who claim that PVR could be used to displace, crowd-out or forestall other, harder forms of regulation (e.g. see Justice 2002; Esbenshade 2004; Wrench 2005; Heidenreich and Zeitlin 2009; Kinderman 2012). They claim that employers may even be intentionally and purposefully designing PVR, not as way to protect and reinforce workplace standards, but to limit, forestall or displace other, harder forms of regulation, and thus limit the regulatory actions they are required to take.

Nonetheless, as summarised above, most IR researchers tend to conclude that PVR is a weak and ineffective type of employment regulation in comparison to traditional joint and legal employment regulation. In addition to this, however, the literature on the effectiveness of PVR contains two significant gaps that have so far been widely ignored and are unpacked in the subsequent sub-sections.

### **PVR in national and international settings**

Most research on PVR in the field of IR has been principally conducted in the international context of global supply chains (Vogel 2008; Büthe 2010). Although some authors have considered the effect of national context on the effectiveness of PVR in comparative international studies (e.g. Locke 2013; Bartley 2018), comparatively few studies have examined a single national setting in depth. Thus, the relatively wide-ranging assessment of PVR as a weak and ineffective form of regulation is also based

on a scale that is not necessarily representative of all PVR. Potentially, one of the most important differences with regards to international versus national PVR is that in the former case, PVR tends to function as the main and often only operating form of regulation. This is because joint regulation in developing nations is often constrained due to low union coverage and density (Locke 2013), and labour laws mostly remain weak either to the inability and the unwillingness of the state to enforce them (Toffel et al. 2015). This means that because PVR in global supply chains is more isolated in its regulatory function, the expectations that are placed on PVR in these contexts are considerably higher than within national settings: “PVR is essentially the only form of regulation in global supply chains” (Locke 2013, p. 12).

Within most national settings, including British IR, the situation is entirely different as PVR is by no means the only relevant form of regulation. Although joint regulation through management union negotiations has decreased in the UK since the 1970s, significant pockets of collective bargaining continue to exist, such as in the public sector (see Dickens and Hall, 2006). Moreover, public regulation through laws and legislation (e.g. Equality Act 2010) and grievance procedures (e.g. court tribunals), despite their limitations, form the backbone of British employment regulation (Heery 2011). Therefore, the expectation on PVR is, in general, not to regulate IR in isolation, but instead to provide helpful contributions towards further shaping and influencing work and employment in a constructive way. PVR in national contexts could thus potentially be regarded as more of an add-on or an additional layer of regulation, rather than as the only way of regulating labour standards.

Another important consideration is that regulating global supply chains entails complications that are not necessarily as relevant within national settings. For instance, in his book from 2013, Locke demonstrates in detail the complexity of actors involved in global supply chains. PVR must somehow manage this complexity by, for instance, being spread across different production sites throughout various countries and regions, dealing with language barriers and relatively high levels of corruption. Particularly problematic is that the commitment to PVR typically originates from global buyers and is only then imposed on supplier companies, who might then resist those changes. PVR in national settings, such as the UK, are potentially more transparent. A

contributing factor to this might be the smaller number of actors involved in comparison to global supply chains (Locke 2013). In addition, when an individual UK employer decides to make a PVR commitment, the associated changes are generally made by that same employer (Heery et al. 2017). Moreover, the pressure from consumer groups, customers, employees, and civil society is potentially much more localised and thus more eminent within the UK, as compared to some developing nations in global supply chains. This may increase the pressure on employers to fulfil their PVR-related promises (e.g. in codes of conduct), as employees in most Western democracies might be more willing to use technology and social media to highlight any violations of their employer's commitments to certain labour standards (see Kavanagh and McRae 2017).

A third issue, and potentially the most significant difference between PVR in global supply chains versus in national settings, is that in the national context the firms that are implementing the changes are the ones who signed up to the PVR, rather than global buyers and brands in other countries. Suppliers in global supply chains are thus forced into compliance as a precondition of entering certain markets and may not really be enthusiastic about implementing changes or might want to avoid or minimise them (Locke 2013). In contrast, PVR within national settings is more often directly related to the same employer that signed up for the PVR scheme in the first place. Particularly with regards to collective organisations, those firms that sign up to that PVR scheme, do so as individual employers. Hence, the complexity of actors, and of reward schemes through PVR incentives is much more direct in national settings versus global supply chain PVR.

### **Structure and agency**

Does the existing literature on PVR conceptualise the actions of employers and other private actors as structural and functionalist or as agential and autonomous? The authors of many fields in the social sciences, including economics (Friedman 1953), political science (Cyert and March 1963) and sociology (Vidal 2019), tend to view the actions of private actors, and in particular of employer-managers, as nothing more than functional responses to external factors, such as environmental pressures, social

and political structures, the market or the trajectory of business development. These functionalist imperatives, however, struggle to explain persistent differences in employer actions and policies across different nations or even within the same country or industry. In their book, Tolliday and Zeitlin (1991) distance themselves from those narratives of IR, since they lack any acknowledgement of private actor agency; they argue: “employers and managers must be treated as potentially autonomous historical actors whose substantive choices can modify as well as reflect their environment” (1991, p. 2).

In the context of PVR, private actor agency is the autonomous influence of employers and other private actors, including collective organisations such as BITC and Stonewall, who can strategically shape PVR. Similar to Tolliday and Zeitlin (1991), the power and agency of private actors over the PVR process is potentially considerable, since it is typically those private actors who develop, carry out, and even (self-)assess the effectiveness of PVR measures. It is therefore surprising that in the literature on PVR, I found only few acknowledgements of private actor agency. For instance, Campbell (2007) examines solely institutional conditions, such as economic conditions or the health of cooperation, to predict whether PVR is likely to affectively lead to responsible actions in firms. Structural independent variables also dominate in the case of the prevailing theoretical perspective of PVR’s ‘private compliance model’ (see Locke 2013). The basic assumption here is that employers have functional or deterministic responses to PVR due to increases in external consumer pressure and therefore adapt their employment practices in alignment with business-case arguments surrounding issues such as the management of their brand image and reputational risk.

These existing studies have often researched the effectiveness of PVR solely from a deterministic, institutional, or structural perspective – thus, completely ignoring private actor agency and autonomy. For instance, Gjølborg’s (2009) ‘institutionalist hypothesis’ builds on the argument of comparative political economists Hall and Soskice (2001), claiming that those countries with stronger institutions for social embedding, including welfare states, corporatist employment arrangements, and cultural norms and values, are likely to have a stronger CSR or PVR

agendas. Comparably, Locke (2013) contends that PVR remains weak and ineffective where the state is weak or corrupt and thus, that PVR is causally dependent on good public regulation of the labour market.

Other structural conditions which have been associated with the increasing or decreasing effectiveness of PVR are organisational size and age, sector, and industry, or whether it is a dependent or independent workplace (e.g. see Hoque and Noon 2004). These studies made detached predictions regarding the probability of PVR to be effective independent of those functionalist organisational attributes. For example, Hoque and Noon (2004) found that smaller, private sector organisations, without a unionised workforce were less likely to have implemented equal opportunity policies, and those that did, had fewer substantial policies (i.e. 'empty shells'). In contrast they found that larger, public sector organisations with a unionised workforce were more likely to have substantial equal opportunity workplace policies. Similarly, Locke and Romis (2010) found that structural attributes, such as the nationality of business owners and managers, and the geographical proximity between buyer and supplier companies could influence the effectiveness of PVR. Finally, Locke et al.'s (2013) findings indicate that only under the right national regulatory contexts, PVR could significantly contribute towards raising workplace standards.

Yet, all these independent *structural* variables cannot tell us much about how agents can actively improve PVR measures. Organisations cannot suddenly all be turned into larger, public sector organisations with unionised workforces, with local ownership and buyers, multiple stakeholder engagement and strong national employment laws! Thus, existing research does not help to inform employers how to use their own agency and autonomy to improve PVR measures and to more successfully shape and influence workplace standards in a positive manner. Neither do they inform governments or civil society what to expect from PVR, and where to put pressure on the PVR initiatives of private actors. That is not to say that the identification of these structural patterns is not useful. On the contrary, they are useful in providing us with a map of: 'What type of employer is doing what and with what amount of success?' However, they do not help us to identify: 'What should PVR ideally look like to be more successful in effectively shaping labour standards?'



The focus on agency is potentially crucial, as some academic studies are suggestive of the point that private actors might, in fact, be able to compensate for structural weaknesses in regulation (e.g. see Greer 2011). For instance, in examining the rise of HRM and equal opportunity policies in American workplaces, Dobbin and Sutton (1998) ask a simple and yet profound question: ‘How can the state be administratively weak, but normatively strong?’ They argue that because the USA Government left the terms of legal compliance unclear (ambiguous and complex), firms committed considerable resources to devise compliance measures (see also Dobbin 2009). The Government’s signalling of uncertainty about the legitimacy of its own authority and the fragmentation of its enforcement led firms to develop business-case rationales to re-allocate authority within the market. Because the implementation of this regulation was largely left to managers, it allowed human resources (HR) managers to expand their purview. Personnel, anti-discrimination, safety, and benefits departments became disassociated from the law and federal regulations and were instead justified in purely economic terms as part of the new, rising HRM paradigm (Dobbin and Sutton 1998). Thus, equal opportunity moved from ambiguous compliance towards pure efficiency (Kelly and Dobbin 1998). Thus, despite the USA state being administratively weak and fragmented it still manages to influence employers effectively through its strong normative power. Dobbin (2009) builds on this and argues that in conjunction with these ‘weak’ laws, personnel managers utilised their agency to develop strong forms of equal opportunity regulation, despite them being voluntary.

In a rare acknowledgement of importance of actor agency in the literature around PVR, Harvey et al. (2017, p. 43) contend that: “central to political CSR is the participation of actors with the capacity and moral authority to hold business to account”. Although he merely focuses on variables inside the firm, Campbell (2007, p. 948) in fact explicitly declares that:

*“I leave it to others to consider the determinants of socially responsible corporate behavior that may be operating inside the corporation, such as the corporation’s culture, structure, leadership”.*

## 2.3 Synopsis and study outlook

This chapter has demonstrated employment regulation to be a useful concept which encapsulates the varying protection mechanisms for employees within the (skewed) power relationship to their employers, as well as for wider society and the environment. Employment regulation was defined in a broad sense to include self-imposed regulatory tools and measures (i.e. PVR). The two traditionally dominant types of employment regulation, namely joint regulation and public regulation were discussed, while highlighting PVR as a relatively new, increasingly popular and yet highly criticised way of shaping and influencing workplace standards – entirely through the voluntary efforts of private actors in different contexts. Three of the most common critiques of PVR were highlighted. First, PVR, as a voluntary form of regulation lacks enforceability and can thus at times provide employers with a smokescreen to hide their unethical practices. Second, critics consider the collective PVR actions of businesses dubious or even self-congratulatory, as they struggle to overcome conflicts of interests, tend to collect untrustworthy data, and often lack minimum standards of compliance. Third, the implementation of PVR on the firm level is often considered unitary, shallow, short-term, and inconsistent since policies are only sporadically translated into practices and the responsibility and ownership of PVR often remains ambiguous.

Despite this, PVR demands further investigation from a novel perspective as the current debate surrounding the effectiveness of PVR has two significant limitations. First, there is a disproportionate evaluation of PVR based on research in the context of global supply chains which might have induced IR researchers to over-emphasise the weaknesses of PVR and ignore the potential strengths it produces within national settings. Hence, a reconsideration of PVR and its potential effectiveness in national settings, such as in Britain, might add to our understanding of PVR in its role as a potential additional form of regulation. My thesis attempts to address this gap in the literature with a profound analysis of the factors and social mechanisms which could influence the effectiveness of PVR within the national context of the UK. Second, while previous studies have explored in detail the

importance of structural conditions, there is a disregard of actor-centric factors in researching the effectiveness of PVR. To address this, I will consider and examine the power and agency of private actors and their interaction with those independent variables which may help to explain the successes and failures of PVR in raising labour standards. I contend that by filling these gaps, my research can make a useful contribution to the debate on the effectiveness of PVR.

## CHAPTER THREE: Theoretical argument

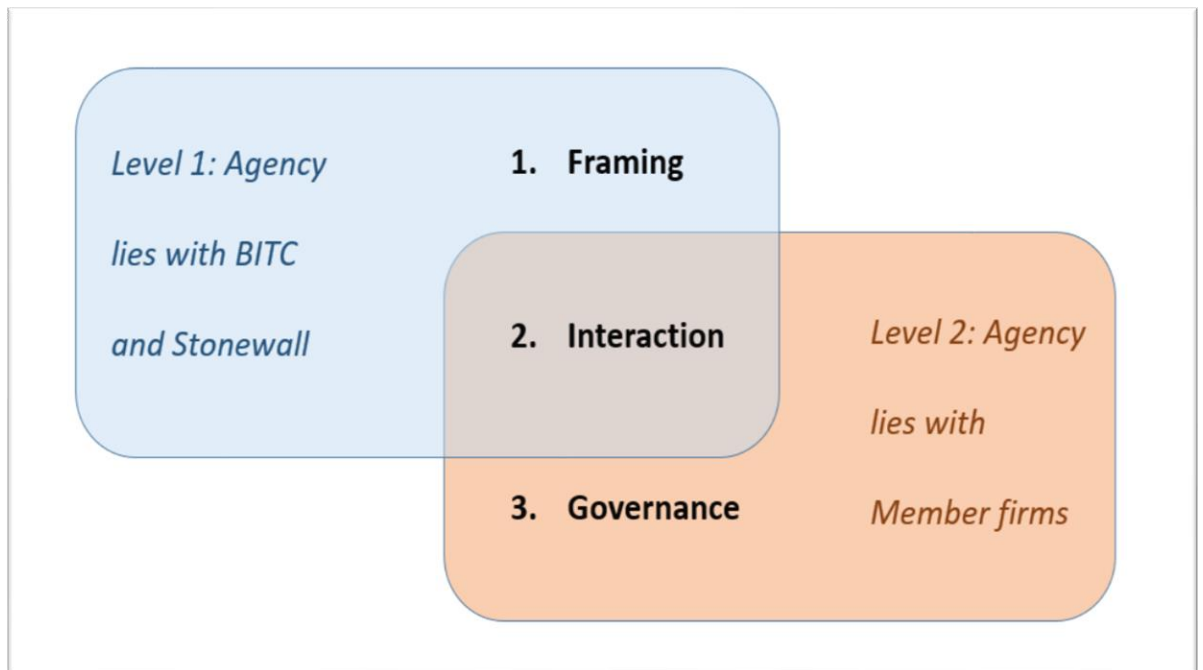
The purpose of this chapter is to present my theoretical argument which aims to develop our understanding of how private actors utilise PVR to shape and influence labour standards. Broadly, I contend that when private actors utilise their agency meaningfully, then PVR has the potential to have a strong positive impact on labour standards as follows:

*'I argue that when private actors, including collective organisations and their member firms, simultaneously (1) use business-case and ethical framing, (2) interact with one another through competition and cooperation, (3) and govern PVR from both the top-down and the bottom-up, then PVR tends to lead to highly successful improvements to labour standards.'*

The argument leans on four analytical categories which are grounded in existing theoretical literatures and help to explain variations in the strengths and weaknesses of PVR towards impacting labour standards. The categories include three independent variables and one dependent variable. In combination, the four variables provide an overarching conceptual lens through which I present my empirical findings in Chapters 5, 6, 7 and 8. The developed theoretical argument also provides a context through which I offer explanations surrounding the process of developing, framing and implementing PVR. It furthermore aims to explain the potential successes and failures that private agents – including my case study organisations BITC and Stonewall and their member firms – have in shaping and influencing work and employment conditions through PVR.

My three independent variables are grounded within two separate levels of private actor agency (see Figure 3.1). The first agency level is that of collective organisations which I examine through the empirical lens of two case studies, namely BITC and Stonewall. These have a distinct control and influence on two of my independent variables, namely 'framing' and 'interaction'. The second level is that of the firms themselves, which I investigate through ten case study member firms. These,

I found, also shape and influence two of my independent variables, namely 'interaction' and 'governance'.



**Figure 3.1:** Levels of agency and their correspondence with the three independent variables.

### 3.1 Framing

My first analytical category 'framing' is defined and operationalised as the way in which representatives of collective organisations actively choose to describe and portray PVR and its inherent efficacy to firms and employers. Thus, framing is conceptualised as a tool that is used by BITC and Stonewall with the purpose of inducing employers to affiliate with them, engage in PVR and raise their labour standards. Beyond this, the variable framing also encapsulates the ways in which representatives from BITC and Stonewall attempt to shape PVR in such a way whereby firms can alter the view they have on their role in wider society and their ability to influence the interactions between business and the environment. In this way, framing entails a potential capacity to restructure firms' ideational perspectives and may have a powerful material force to change the structure and purpose of businesses and organisations.

The variable 'framing' originated in the work of authors such as Goffman (1974), Snow and Benford (1992), Benford and Snow (2000), as well as Tarrow (1994) who apply framing in the context of social movements. In particular, Snow and Benford's (1988; p. 197) conceptualisation of framing helps us to better understand how agents produce and maintain ideas, values, and ideologies to describe certain, especially contentious, issues. For instance, Goffman (1974, as cited in Benford and Snow 2006, p.614) explains that:

*"Frames render events or occurrences meaningful and thereby function to organise experience and guide action (...) [and] also perform this interpretive function by simplifying and condensing aspects of the 'world out there'."*

The concept of framing enabled these authors to explain why some actors and social movements managed to successfully mobilise adherents and engage them in certain activities, while others failed (Snow and Benford's 1992, p. 137). A related concept that is used by Edelman et al. (2001) is called 'diversity rhetorics' and explores the dissemination and institutionalisation of EDI. It also encapsulates the language, semantics and perspectives that are used to shape the presentation of an issue to private agents. Similarly, the variable framing is salient in the context of my research study, since my two collective case study organisations, BITC and Stonewall, can choose to frame PVR in different ways with the aim of recruiting, mobilising and engaging individuals and businesses in PVR. Framing carries a significant explanatory power regarding their success or failure in winning support from businesses, changing workplace policies and practices, and shifting the way in which firms view their role in wider society. Moreover, framing is a dynamic, ongoing process (Benford and Snow 2006); it is not static, but can be continuously constituted, contested, reproduced, transformed, and/or replaced (Benford and Snow 2000).

There are three significant features surrounding the variable framing that are worth highlighting at this stage. First, several authors emphasise the importance of 'actor agency' in the context framing. For instance, Benford and Snow (2000, p. 614) specifically highlight that social movement agents must actively mobilise and dynamically shape frames. Similarly, Gamson (1995) also points out the agency component in the context of framing as a "call to arms" (p. 617). The agency that is

contained in the variable framing is located on the first level of this project's analysis, namely at the level of my two case studies of employer membership organisations, BITC and Stonewall. Conversely, the firms themselves (i.e. agency at level two) cannot directly influence or actively shape the way in which they choose to frame PVR.

Second, framing is an ideational variable in the sense that private agents aim to create change by producing and disseminating ideas, as well as challenging existing views and discourses. Analogous to the "discursive regulatory mechanisms" that were built into the EU's "open method of coordination" (Jacobsson 2004, p. 355); framing might be used to transform labour standards through soft adjustments through the usage of semantics and language, as well as the diffusion of knowledge and associated social pressures. In the case of BITC and Stonewall, framing of PVR could be used in a variety of ways, such as by: (1) advancing an issue itself (e.g. LGBT equality), (2) presenting a novel way of tackling that issue (e.g. an engagement programmes), (3) challenging employers on their responsibilities to take action, or (4) emphasising any associated advantages of doing so (e.g. profitability).

Third, in the social movement literature, several have made the argument that activists adjust the type and intensity of the framing and discourse they use depending on whom they are talking to (Benford and Snow, 2000) – this is expected to be similar in my study. For instance, while discussing an issue of contention in activism-prone firms, social movements are prone to use arguments surrounding ethics, morals, fairness or public values (see Hunt et al. 1994; Briscoe and Safford 2008); however, when addressing mainstream firms, framing tends to centre around economic rationality (see Benford, 1993; Hoffman 2001). Moreover, some businesses operate in markets that can afford to indulge in the conscience of its executives (Viganò and Nicolai 2009) and other firms experience pressure from their consumers or unions to take certain issues more seriously (Harvey et al. 2017). Finally, large and prominent organisations are often viewed as thought leaders and could be prominent targets for organisations, such as BITC and Stonewall, since gaining them as members could lead other, more mainstream organisations to follow suit (McAdam and Scott, 2005; Rojas, 2006).

The theoretical literature revealed two archetypical frames that are likely to feature in my empirical exploration of PVR: namely ‘business-case framing’, and ‘ethical framing’. Some of the IR literature also includes a third significant PVR frame, namely the ‘legal frame’ (e.g. see Potoski and Prakash 2005). However, while the threat of the law may at times manage to coerce employers into changing their policies and practices on the back of PVR, this is regularly also interpreted as part of the business-case since there is a bottom-line financial incentive to avoid legal risk and reputational damage (Carroll and Shabana 2010; Amengual 2010).

### 3.1.1 Business-case framing

Business-case framing is defined as a way of describing PVR which explicitly emphasises the economic benefits for firms and employers who choose to participate and engage in PVR (see Carroll and Shabana 2010). Collective organisations like BITC or Stonewall might explicitly choose to tap into the extrinsic motivation of the ‘financial carrot’ to lure businesses into changing their labour standards voluntarily. Business-case framing also entails an ideological narrative that is inherently congruent with the logic of the ‘Friedman doctrine’ which postulates that the primary function of businesses is to maximise returns for shareholders (Friedman 1970). PVR therefore does not emerge from any inherent “social responsibility” of firms or businesspeople, but by virtue of the improved economic returns that it produces for businesses (see Thomas 1990). Business-case framing is thus in line with studies such as that by Edelman et al. (2001), who explains that:

*“managerial rhetoric seeks to establish the rationality of a new managerial model by portraying the model as beneficial to organisational goals. Usually this takes the form of statements about how the new model will increase organisational efficiency, and ultimately, profit” (p. 1601).*

The description of PVR through the business-case benefits it can provide to firms is grounded in some substantial empirical research. For instance, a meta-analysis of 52 studies by Orlitzky et al. (2003) suggests that PVR in the form of social and environmental responsibility is likely to pay-off through improved corporate financial performance. More specifically, Spiller (2000, p.150) concluded that “many investors



believe that ethical business provides superior financial performance”. However, for this research, it is secondary whether PVR *actually* leads to improved financial performance or not. The primary focus here is on whether employers *believe* that PVR has a positive impact on their businesses, and thus act for pecuniary reasons. This research aims to establish whether business-case framing manages to successfully convince employers to join engage in PVR or not, and the conditions under which this tends to happen. Nonetheless, the question of PVR’s actual success in providing business benefits obviously influences the ability of collective organisations engaged in PVR to convince employers to join their memberships and utilise their PVR measures.

Berger et al. (2007) and others, have shown that PVR can benefit businesses financially in a multitude of direct and indirect ways and thereby motivate firms to engage in PVR as framed by the business-case. PVR promises to reward firms in financial terms via the market by enhancing their relationships with various stakeholders (see e.g. Carroll and Shabana 2010; pp. 97-100). For example, Thomas (1990) argues that PVR may result in improved recruitment and retention of employees, leading to higher firm productivity (see also Williams et al. 2011, p. 54; Hoque et al. 2014). PVR can also enable firms to secure new or better business contracts through tendering and procurement (e.g. see Sobczak 2006; Vogel 2008; Toffel et al. 2015; Wright 2016). Firms can also be motivated by the business-case as they utilise PVR in the “development of a ‘business friendly’ image” to enhance their legitimacy and customer loyalty (see Hoque 2003; p. 543). Finally, PVR may help firms to reduce legal risks by complying with or even exceeding the expectations of employment laws (e.g. see Kolben 2007; Amengual 2010). By relying on legal pressures through institutional “persuasion or (...) invitation” (DiMaggio and Powell 1983, p. 150), PVR through business-case framing could thus be operating in the shadow of the law.

Some studies have also suggested that PVR, as framed by the business-case, might invoke an increase in employer trust and approachability and thus, lead to greater engagement. For instance, Coslovsky and Locke (2013) found that some PVR agents managed to gain an insider perspective within targeted companies. They

reported that the trust which these agents obtained had been vital in gaining access to otherwise resistant firms and to convince managers to change their employment policies and practices through PVR from within. Thomas (1990) adds to this and specifies that business-case framing entails an ideological narrative that is inherently unthreatening to employers. He contends that this may induce employers to engage in PVR more willingly and actively in comparison to legal or joint regulation. In this view, regulating labour standards from the business-case perspective becomes a 'carrot' or something that businesses *want* to do voluntarily, through a 'pull' rather than by a 'push'. Edelman et al.'s (2001) findings support this hypothesis, as they report that the business-case advantages (e.g. flexibility) that are highlighted in the 'diversity rhetoric', encouraged American managers to willingly embrace PVR actions associated with business-case framing. Similarly, Hammond (2000) found that the success of the business-led gender equality programme 'Opportunity 2000' increased only once a strong business-case rationale was articulated for the programme.

On the other hand, some have pointed towards several dangers of framing PVR through a business-case lens. This is because the utilitarian concerns of efficiency, productivity and profit maximisation could undermine ethical aspects of PVR, such as inclusion, fairness, and sustainability (Özbilgin and Tatli 2011). As noted by Dickens (2007, p. 468):

*"Although such an instrumental, utilitarian approach can drive change and provide strategic framing (...) in practice it may be problematic for equality which becomes subordinate to the goal of efficiency."*

For example, the shift from equal opportunity towards diversity management entailed a change in the semantics and dominant vocabulary from a social justice, morality and compliance argument (with anti-discrimination legislation) during the 1970s towards a more privatised, voluntary business-case approach in the 1980s/90s (Dickens 1999; Wrench 2005; Kirton and Greene 2010). Wrench (2005) is extremely critical of these developments and argues that 'diversity management' represents an intrusion of market forces into areas where previously democratically elected governments would act to protect disadvantaged groups of employees. He contends that the emphasis on business benefits and softer measures often dilutes the

effectiveness of other regulations. Webb (1997, p. 166) agrees, claiming that diversity management has become more about “corporate image building than actually about progressing equality goals, leading to the continuation of a gendered ideology of meritocratic individualism.” Wrench (2005) adds to this and argues that diversity management removes the moral imperative from the action for equal opportunity. He postulates that framing diversity management through a business-case lens expunges the ethical and moral meaning of positive action, making measures conditional and, potentially, unsustainable:

*“Under a diversity management approach, racism is indeed argued to be unacceptable, but only when the outcome of such racism is recognised as leading to inefficiency in the utilisation of human resources. If a change in market conditions means that racism and discrimination do not lead to inefficiency, then there will no longer be any imperative to combat them” (2005, p. 102).*

In extreme cases, business-case framing has even been argued to incentivise employers to ‘white-’ or ‘green-wash’ their actions using PVR, rather than to protect workers or the environment from harmful workplace practices – which it fundamentally claims to do (e.g. see Locke 2013). For instance, Özbilgin and Tatli (2011, p. 1231) find that in some instances the “use [of] the business-case simply [i]s an ideological apparatus to advocate deregulation and voluntarism” (Özbilgin and Tatli 2011, p. 1231). Because of these tendencies Dickens (1999, p. 9-10) concludes that:

*“Business-case arguments are inevitably contingent, variable, selective and partial, and often underplay the wider context within which business-case rationales are having to be pursued.”*

### **3.1.2 Ethical framing**

Ethical framing is defined as a way of describing PVR which emphasises the intrinsic, moral duty of both individual persons and the firm itself towards employees, customers, the environment, and society at large. For instance, Benford and Snow (2000, p. 621) explain that the morality of framing is inherently linked to people’s associated beliefs, values, and ideas. They further emphasise the experiential commensurability in terms of whether ethical frames are congruent or resonant with

the everyday experiences of the individual targets of mobilisation. Ethical framing can also be directly aligned with firms' organisational ethos, mission statements or ideational values. Elkington (1998), for example, discusses the potential for firms to have inherent interests beyond merely productivity and profitability, in line with what is called the 'triple bottom line'. Here, firms might aim to, on the one hand: (1) be financially successful and produce profits; but on the other hand, also aspire to (2) have a positive impact on society as a whole; and (3) to minimise negative impact and maximise positive impact on the natural environment (Elkington 1998). Galaskiewicz and Burt (1991) found that those corporations who choose to actively engage in CSR also tended to have stronger normative institutions (e.g. a sustainable development department), and that these are often supported by memberships in professional organisations which are dedicated to philanthropy and ethical business behaviour.

An interesting feature of the ethical framing of PVR by collective organisations is that it could involve an ideational, albeit a 'soft' challenge to employers (Fulmer 2004). Other, harder types of regulation tend to challenge employers using more enforceable threats or the 'stick'. However, although the moral challenge employed by ethical framing is much gentler, it is nonetheless often a challenge: "the challenges of ethical leadership (...) suggest some responses that offer potential for raising the level of ethical behaviour in organizations" (Fulmer 2004, p. 307). When collective organisations, like BITC or Stonewall, choose to frame PVR through an ethical lens, they are taking on the role of a 'challenging critic'. According to Valentine et al. (2002, p. 349) the ethical challenges from such a 'challenger' are more likely to result in ethical commitments from employers, who might in turn induce the philosophies of ethical case framing to being institutionalised into the firm and thus, potentially, have a stronger effect on labour standards.

Some studies have suggested that ethical framing is paramount in determining whether a movement or a collective actor will be successful in gaining support and mobilising resources from a potentially supportive community group (see e.g. Tarrow 1994; p. 123). Lim and Philips (2008) investigate how companies and supply chains may adopt and entrench the values of CSR, shift their habits and even their "business philosophies", potentially leading PVR and its associated ethics to become an

integrated part of the business (p. 143). Thus, the ethical framing of PVR could feed into an organisation's cultural identity, and through this create change by producing and disseminating new discourses and ideas, as well as challenging existing views about the role of business in society and the best way for firms to operate. It is important to note however that, on the other hand, some authors are suspicious of ethically framed PVR, as they argue that ethics or ethically-based ideas, such as CSR, have little purchase in the realm of business' instrumental reasoning (Doane and Abasta-Vilaplana 2005).

## **3.2 Interaction**

The variable 'interaction' encapsulates the various ways in which the member firms of collective organisations, such as BITC and Stonewall, engage with one another in the context of PVR. While PVR has often been associated with 'individualism' and put in contrast with joint regulation which follows a more collectivist route (Özbilgin and Tatli 2011); some studies have found that PVR is also present in a variety of collective organisational structures, such as employer forums (see Bowkett et al. 2017; Demougin et al. 2019), and civil society organisations (e.g. see Williams et al. 2011; Heery et al. 2014). Interactions between member firms could potentially affect businesses' choices whether to join the membership base of collective organisations and to engage in PVR. Moreover, the relational contexts between firms may potentially have a significant causal influence over whether PVR is effective in raising labour standards. Two archetypical modes of interaction are identified in the theoretical literature, namely 'competition' and 'cooperation'. Subsequently, I highlight these two types of interaction and develop the variable.

### **3.2.1 Competition**

Competition in the context of this research is defined as a logic of interaction between the member firms of collective organisations, such as BITC or Stonewall, whose representatives are striving to edge one another out in terms of their PVR performances. Existing studies, have, thus far, not associated PVR directly with competition. However, there are two commonly used PVR tools that are

unquestionably rooted in inter-firm competitiveness, namely: benchmarking and award schemes. Sisson et al. (2003) define benchmarking as “the simplest comparison of performance data” (p. 15). Thus, the logic in the context of collective organisations is that they collect information on the policies and practices of their member businesses to then evaluate them, compare them with one another, score them and then celebrate the success of the ‘best’ labour standards in a public manner. Similarly, award schemes contain a competitive thread, whereby firms voluntarily submit award applications surrounding ethical practices, mostly with supporting evidence; these are then scored and ‘best practice’ is publicly celebrated.

The competitive logic of both benchmarking and awards aims to create an inter-firm competitive incentive for businesses to attempt to improve their workplace policies and practices. Competition may therefore help to create a driving force pushing firms to increased efforts and develop innovations aimed at raising labour standards (Büthe 2010). For instance, Anderson (1999, p.287-288) explains that benchmarking contains four main aspects namely (1) measurement, (2) comparison, (3) learning, and (4) improvement. Each of these stages can, either directly or indirectly, induce positive changes in labour standards. For instance, the process of measurement could help to ensure that companies monitor their own labour standards voluntarily and systematically (e.g. see Fransen and Burgoon 2012; Marx and Wouters 2016). This might then induce firms to engage in what Andersen (1999, p. 288) calls internal competition, as well as force firms to evidence the changes which they claim to be making, thus potentially leading to deeper-rooted changes to labour standards. Similarly, learning is considered an important part of competition which can result in enhanced labour standards. For example, Allan (1997, as quoted by Elmuti and Kathawala 1997) contends that competitive benchmarking is a “process of identifying and learning from best practices”. Brookhart (1997) adds to this and asserts that benchmarks are often used to enhance a firm’s internal learning experience. These learning outcomes can then be used by firms to make improvements in the future. Finally, competitively incentive improvements can self-evidently lead to the raising of labour standards.

Another associated feature of competition is providing employers with an incentive to continuously innovate and strive for ever-advancing levels of 'best practice' in terms of labour standards. For instance, Elmuti and Kathawala (1997, p. 229) describe benchmarking as a "process by which companies look at the 'best' in the industry and try to imitate their styles and processes". The aim of collective organisations, such as BITC and Stonewall, might thus be to motivate employers to continuously improve their workplace standards, developing new PVR innovations, policies and practices, ideally to create a 'race to the top' of employment standards (Hepple 1998). While legal regulation can be thought of as a regulatory tool which aims to raise the lowest performing businesses to a level of minimum compliance and to pull the majority of businesses into a sphere of (potentially) acceptable labour standards; PVR may in contrast – with the help of competitive incentives – aim to create dynamic, ever-improving beacons for businesses to strive towards. In other words, the law may establish the baseline 'floor' of labour standards, and PVR pushes the ceiling higher to best practice labour standards through competition. As Elmuti and Kathawala (1997, p. 229) point out that the emphasis on competition lies in learning and "identifying new ideas and new ways of improving processes".

In contrast, some existing studies have pointed out that, at times, competition in PVR might become ineffective in terms of raising labour standards. For instance, authors like Grugulis and Bevitt (2002) point out that competitive benchmarks and awards which lack depth may lead some employers to prioritise 'easy to document' improvements and ignore more important changes which could be made. Some organisations may also potentially overemphasise quantitative comparisons of input and output measures, and thus "focus on the numbers" and ignore more qualitative indicators of PVR's effectiveness (Elmuti and Kathawala 1997: 236). For instance, Sisson et al. (2003) argue that at times there can be an obsession with placing in league tables to the detriment of the quality of the outcomes and a lack of organisational learning. Thus, instead of becoming what Arrowsmith (2004) calls a 'learning tool', these competitive PVR tools might simply use benchmarks as artificial and potentially superficial tick-box exercises. Another significant challenge associated with competition is the need to effectively compare and make sense of the collected and

collated data, as well as to agree on the definition of best practice (Arrowsmith et al. 2004). Benchmarks and awards are based on variables that must be chosen, measured, and compared, yet the decision of which variables to choose and how to measure them is not always clear (Andersen 1999). Comparability is particularly difficult if measurements range across different firm sizes, sectors, and industries (Arrowsmith et al. 2004).

### 3.2.2 Cooperation

The second significant type of interaction between the member firms of collective organisations, such as BITC and Stonewall, is ‘cooperation’. Cooperation is defined as a mutually supportive form of interaction between member firms, aimed at improving labour standards through PVR, not through a zero-sum game of edging out other firms, but instead, by raising all ships with the tide. The types of initiatives that are organised by collective organisation, such as BITC and Stonewall, might significantly influence whether their members tend to engage in cooperation with one another. However, it is important to note that businesses themselves also have the power and agency to decide whether to foster relationships with other member firms. For instance, Briscoe and von Nordenflycht (2014) report that employee networks will at times foster direct relationships with other firms’ networks and foster cross-organisational learning and the diffusion of new practices between firms.

Abbott et al. (2012) highlight two relevant sources of power for civil society organisations which help to incentivise employers to raise their labour standards through PVR. First, they emphasise that coalitions and collaborations between heterogeneous organisations, especially employers, could serve as a source of power and agency when engaged in PVR (or civil regulation). Findings from Galaskiewicz and Burt (1991) confirm this; they found that corporations who are part of philanthropic membership organisations are more likely to engage in CSR as they learn from and adapt behaviours from firms they encounter in these contexts (and are also exposed to competitive peer pressures). Second, Abbott and his colleagues emphasise that cooperation between firms can potentially lead to increased expertise and understanding about the practices, existing legislations and policies relating to these



issues. This may in turn lead to what Schurman et al. (1998, p. 123) call “facilitation effects” whereby a ‘government mandate’ of equality legislation becomes better understood and implemented in the context of organisations trying to understand and explain to one another the existing statutory regulations.

Through cooperation, businesses may choose to share their practices, policies, and success stories with one another – as well as their failures, mistakes, and shortcomings, and in turn raise labour standards (see Barlow and Jashapara 1998). In the context of CSR and EDI, Ruggie (2002, p. 27) argues that synergistic collaborations between businesses potentially provide a useful alternative to the traditional hierarchic/bureaucratic form of power. Moreover, Whitting et al. (1993) report that the main function of Employers’ Equal Opportunities Groups were the sharing and dissemination of knowledge and best practice across their networks, especially to help formulate new policies and develop skills related to the promotion of race, gender and disability equality at work.

Lee’s (2015, p. 201) findings on business brokers add to this as they provide an indication of how collective organisations might act as “connectors, facilitators/co-designers and leaning catalysts” between businesses. Collective organisations, such as BITC and Stonewall, could thus potentially be adopting the roles of mediators, convenors or ‘brokers’ between their members to stimulate cross-organisational learning (Lee 2015). One way in which these connections might be established is by directly putting organisations in contact with each other. Another, more indirect way in which they may foster cooperation is by organising member events, such as congresses, gala dinners, award ceremonies, conferences, or workshops. Here, collective organisations, such as BITC and Stonewall, could make introductions between employers, and grow their business networks organically.

A necessary precondition for organisations such as BITC and Stonewall to foster cooperation between their members is the gathering and processing of relevant information surrounding the substantive issues they focus on, namely CSR and LGBT equality (see Williams et al. 2011). It is vital that firms view them as experts within the fields they deal with. Employers must trust them and to receive their advice regarding

the substantive issues. Thus, it is vital for them to identify the essential issues of PVR, attain the relevant knowledge, and be able to disseminate that information.

Several studies of PVR have concluded that the involvement of collective networks and the presence of multi-stakeholder initiatives may increase the success of PVR measures in raising labour standards since benefits to all of firms' stakeholders are built into the scheme (Skelcher C. 2000; Salk and Arya 2006). For instance, the UK-based Petroleum Driver Passport scheme is a PVR scheme which requires the drivers of road tankers to obtain a passport which indicates their safety compliance; Heery (2017) found that its success was dependent on the cooperation of all of the actors that were involved in the scheme, including the drivers and the employers. Similarly, Toffel et al. (2015) in their quantitative assessment of global labour standards argue that the involvement of multiple stakeholders on different levels, such as the ILO, domestic legal actors like labour inspectors and prosecutors, unions, NGOs, employer forums and civil society organisations, the press, or consumer pressure groups, can increase the chances of improving working conditions.

On the other hand, it is significant to note that some firm's management might have ulterior motives to engage in cooperative PVR activities. For instance, some might decide to collaborate with other firms to simply gain access to prestigious business networks and form new ties to other businesses and/or public institutions, which can at times even lead to new business partnerships or contracts. In the context of global production networks, Hughes and his colleagues (Hughes 2001; Hughes et al. 2008) reflect on how ethical business networks might at times become exclusive. In these contexts, while firms might succeed in coordinating ethical initiatives, the networks might not necessarily lead to embedded changes; instead the self-congratulatory façade of business networks merely appearing as ethical to their employees, customers or the wider public, is a danger worth noting associated with interaction as a form of interaction.

Another relevant note is that, in contrast to authors such as Briscoe and Safford (2008) who focus intensely on the diffusion and institutionalisation of contentious practices through confrontational tactics, my research focuses on two employer membership organisations that use softer and more voluntary tactics in their

relationships with businesses. Thus, it is plausible to assume that rather than being focused on both “activism-resistant” and “activism-prone firms” as Briscoe and Safford were (2008, p. 460), my research is likely to merely contain those that are ‘activism-prone’ firms.

### 3.3 Governance

The third analytical category that I identified in the literature concerns the ‘governance’ of PVR. Governance describes the leadership strategies of individuals and collectives within the member firms of collective organisations, such as BITC and Stonewall, with the aim of implementing PVR into their businesses. Jones (2012, p. 249) defines governance as the “steering [of] human behaviour (...) to achieve strategic objectives”, whereas Aguilera and Jackson (2010, p. 487) describe it as “as the study of power and influence over decision making within the corporation”. They also emphasise that some scholars “approach corporate governance from an agency perspective (...) such as [through] boards of directors, ownership structures, and the market for corporate control” (2010, p. 488). Some existing studies of PVR have focused on the emergence, design or support of PVR initiatives (e.g. see Buethe 2010; Fransen and Conzelmann 2015); while only few studies have thus far investigated the on-the ground effectiveness and implementation of PVR in workplaces (for an exception to this, see Vogel 2005).

Referring to transnational PVR, Bartley (2018) points out that there is a danger in assuming that rules which are developed across different countries will result in the same outcomes for labour and environmental standards in varying national contexts. He warns that viewing PVR as a ‘quick fix’ with a misplaced “hope of transcendence” (p. 6), could lead theorists and CSR enthusiasts to ignore the significant impact of domestic governance on the effectiveness of PVR:

*“We must dispense with the seductive idea that rules for corporate responsibility (...) transcend existing forms of domestic governance (...) private rules are shaped by domestic governance at the point of implementation (...) and the implementation of standards always occurs in particular places” (Bartley 2018, p. 4-5).*

Though my study is not concerned with national-level implementation of transnational PVR, Bartley's argument remains highly relevant for my research because the role of firm level governance and implementation are similarly significant. For instance, a PVR measure that was developed by BITC or Stonewall could, within the context of a specific business, become "colored (...) channelled, constrained, and even reconfigured by domestic [or in my case, firm level] governance, sometimes in pervasive ways" (Bartley, 2018, p. 5-6). What is also significant about Bartley's argument is that it emphasises the importance of actors' agency in the context of PVR governance. He argues that there are "an array of actors vying for the power to control loosely structured arenas" (2018, p. 7). Through the lens of variable governance, I examine which firm level agents govern and implement PVR into their firm. I also consider how they aim to achieve this, their level within the managerial hierarchy of the firm and their access to resources, including money, time, power, capacity, authority, and skills. Firm level governance could potentially have a significant influence on the success or failure of PVR in shaping and influencing labours standards.

Two archetypical forms of governance are identified in the literature. First, PVR which is developed and implemented from the firm's central administration and leadership; and second, changes that are driven and led from within by the firm's employees or middle management. In other words: 'top-down governance' and 'bottom-up governance'. These two types of governance are unpacked below.

### **3.3.1 Top-down governance**

Top-down governance is defined as a leadership strategy, wherein firm-leaders choose to implement PVR changes within their businesses starting with the highest levels of the organisational hierarchy. Through the existing system of power and control, these changes are then assumed to incrementally cascade downward to the lower tiers of the organisational structure and culture.

There are studies which have suggested that top-down governance of PVR and similar initiatives is a successful strategy for achieving improvements to labour standards. Top-down governance might result in visible and embedded changes to

labour standards as the implementation of PVR is made in a continuous, clearly formulated, defined and purposeful manner. For instance, Kirton and Greene (2010) report that the buy-in from top-management is essential for the success of PVR actions. Similarly, in examining the success of the gender equality programme 'Opportunity Now' (previously called: 'Opportunity 2000'), both Vinnicombe (2000) and Hammond (2000) find that senior management endorsement and support is key in leading to the apparent overwhelming success of the programme.

An important consideration which may influence the success of top-down governance, is the alignment of PVR changes with the respective firms' organisational values and culture. Kirton and Greene (2010, p. 256) note that "culture change is a notoriously slippery concept and an elusive one to tackle, (...) culture is set by the cadre at the top and they change their behaviours, trickle-down will apply" which suggests that changes can at times be administered in an incremental way. Top-down governance is vital in the creation of new job roles and titles for those in charge of their PVR (e.g. CSR, EDI managers). For instance, Hoque and Noon (2004) find that those workplaces which have HR specialists are more likely to effectively implement their voluntary equal opportunity policies and thus, to successfully shape and influence labour standards. Successful implementation of PVR might therefore depend on whether a firm has hired individuals who are officially responsible for running the PVR programmes.

However, top-down governance also carries several inherent risks which might lead PVR to become tokenistic or ineffective, especially where PVR might be implemented in a sporadic, informal, and impromptu manner. The translation from policies into practices is frequently highlighted as a potential problem: "there is a problem with exercising power from above (...) it is not a route to effective implementation" (Greer 2011, p. 198-199). For instance, Hoque and Noon (2004) point out that people in top-level managers might only pay lip service to their PVR policies without effectively implementing changes to practices. In fact, they claim that some managers might even attempt to purposefully subvert the procedures that are developed; to them "such policies are exercises in image management and (...) in practice, inequality persists" (p.482). Another criticism pointed out by Richards (2001)

is that top-down governed PVR policies might not be effectively disseminated across the firm, and thus, that many people might not get access to them. For instance, she found that the Opportunity Now programme incentivised the National Health Services (NHS) to devise gender equality policies; however, these were not disseminated from the national to the local level. Additionally, she describes resistance amongst senior managers who only followed selective parts of it or complied very superficially by treating it as a 'tick-box' exercise. Similarly, Dickens (2000) found that the enhanced maternity provisions and career breaks were targeted mainly at women at the high end of the organisational hierarchy and excluded women who worked in the lower tiers of the organisational structure – thus reflecting the needs of the employers, not the employees (see also Cockburn 1989, 1991).

### **3.3.2 Bottom-up governance**

Bottom-up governance of PVR is defined as PVR initiatives that are led and implemented starting either at the lower levels of the organisational hierarchy, rather than by the management or leadership. It should be noted that while this can be a purposeful leadership strategy whereby firm-leaders choose to encourage engagement from employees, bottom-up governance can also emerge out of the intrinsic efforts of employees themselves. In bottom-up governance, changes emerge from the bottom of the organisational hierarchy and then permeate throughout the organisation until those changes eventually reach the top of the organisational hierarchy (e.g. the executive team). An example of this is apparent in Dobbin's studies on the feminisation of the HR profession (e.g. 2009; see also Dobbin and Kaley 2013), as he discusses how actors at different levels of the firm can exercise their agency to take ownership of their business' PVR to shape and influence the impact on labour standards.

There are also those who postulate that 'community' or 'user-led' bottom-up governed PVR changes can be more successful at creating meaningful change. For instance, in the context of the climate change debate, Dirix et al. (2013) argue that "the top-down approach has not been a huge success" (p. 364) and "there is a need to instigate a bottom-up approach so as to build domestic support for the future

climate treaties, empower citizens and motivate leaders to take action” (p. 368). Edelman et al. (2001) adds to this and highlights the importance of employees who carry the responsibility of an issue to influence the organisational culture and practices through their rhetoric and discourse. Aoki and Jackson (2008) also emphasise the importance of ownership, as well as employee voice to the governance of PVR. They highlight that personnel managers, compliance officers and management consultants, are likely to carry and disseminate ideas about the law that in turn influence firm level practices.

There is evidence to suggest that employers could, under some circumstances, effectively implement changes to workplace policies and practices through bottom-up governed PVR activities. One way in which this has reportedly been achieved is by seeking to incorporate the voice from workers, from the firm’s target groups or from the wider civil society into governance practices (see Locke 2013). For instance, Whitting et al. (1993) found that several of the ‘Employers’ Equal Opportunities Groups’ reached out to local ethnic minority communities, dealing with both organisations and individuals and even amended their strategies in accordance with this information. Briscoe and Safford (2008) also report that when employees choose to found an LGBT employee group with the aim to improve the experience of LGBT people in the workplace, this increased the likelihood of firms adopting LGBT-friendly policies, as well as the spread of that policy to other firms.

On the other hand, Kirton and Greene (2010) emphasise that in order to effectively implement PVR from the bottom-up, or more specifically diversity management, they argued that there are specific conditions and roles that everyone within the organisation must play. They point out that there are two predominant dangers associated with bottom-up governance, namely that through power imbalances, the interests of management might dominate over the interests of marginalised groups, and that resource shortages might limit the effectiveness of changes.

### 3.4 Labour standards

The final analytical category of my theoretical framework is my outcome variable: labour standards which are shaped and influenced by PVR. The variable is operationalised in two parts. First, is the breadth of firms that are affected by PVR and organisations such as BITC or Stonewall; second, is the depth of changes that are made to labour standards within those firms. Together, the breadth and depth of changes to labour standards through PVR give us an indication of the actual impact of PVR, and thus its success or failure in effectively regulating work and employment conditions.

In addition to this outcome, the various processes associate with the framing, diffusion, governance and implementation of policies and practices through PVR are outcomes in and of themselves. This is analogous to Briscoe and Safford (2008, p. 460), who in the context of the diffusion and institutionalisation of contentious practices, argue that:

*“Social movement perspectives theorize institutional change as a process, (...) [Y]et how movements turn mobilization into institutionalized behaviors in widespread practice remains a key question”*

Thus, a significant contribution of this thesis will be the detailing of the various processes associated with my three independent variables and how they play-out in the context of collective organisations and their member firms.

#### 3.4.1 The breadth of change

The first dimension of the variable labour standards is the scope of the reach of PVR. This is captured by the horizontal breadth or number of firms that choose to affiliate with organisations, such as BITC and Stonewall, and/or engage in their PVR measures, as well as the number and types of workers which are covered by the PVR amendments in each firm. This provides us with a quantitative account of the horizontal breadth of how far PVR reaches. The ways in which BITC and Stonewall frame PVR, and the dominant ways in which interactions between member firms is



fostered could both have a significant effect on the number of firms that decided to affiliate with them and/or engage in the PVR measures.

### 3.4.2 The depth of change

The second part of this variable can be conceptualised as the qualitative depth or profundity of changes that are made to labour standards within those firms and organisations that are affected by PVR. This gives us an indication of the vertical depth of changes which are made to firms' workplace policies and practices because of PVR. This is significant, since without this aspect of the labour standards, we might find out how many firms are reached (quantitatively) by BITC and Stonewall, however, we would lack this crucial qualitative indicator of PVR impact, namely whether PVR is successful or fails to effectively shape and influence workplace policies and practices.

The qualitative depth of changes to labour standards can manifest themselves and are operationalised in numerous ways. Firms may create new or altered written contracts with suppliers or tendering firms (e.g. firms could vouch to pay the living wage to all contractors on their site), the official workplace policies surrounding the rights and treatment of employees (e.g. new parental leave policy), the organisation of new training or informative events (e.g. all management staff could receive unconscious bias training), or alterations to physical buildings (e.g. non-binary toilets, or disability ramps). Yet, ultimately, the central concern of this is whether employees are better off or not.

The outcome variable 'labour standards' is hypothesised to be significantly dependent on all three of my independent variables. Framing, under the agency of BITC and Stonewall, could have a significant causal effect on whether labour standards were successfully raised or not. Similarly, the exercise of agency on the firm level through the governance of PVR may also have a significant effect on whether labour standards were successfully raised or not. Finally, the interactions between members which is influenced by the agency of both BITC and Stonewall, as well as their member firms might significantly impact the depth of changes that are made to labour standards.



## CHAPTER FOUR: Methodology

The purpose of this chapter is to outline the methodological approach that was used for this project in three distinct sections. The first section describes the research design. It outlines and justifies my application of a comparative case study approach, and then highlights the case study selection criteria. The section concludes by providing brief overviews of my two collective case study organisations, BITC and Stonewall, as well as of my ten firm case studies. The second section details my approach to data collection, which includes four research methods. These are: (1) a relational content analysis of websites, press releases and documents; (2) 91 semi-structured interviews with respondents from BITC and Stonewall, ten of their member firms, as well as other expert informants; (3) participant observation of 31 events; and (4) two small-scale online surveys with the member firms of BITC and Stonewall respectively. The third section then discusses my approach to analysing my empirical findings. It outlines my usage of induction, deduction, and abduction to arrive at my research conclusions. Following this, it highlights multi-method triangulation which increased the rigour and validity of my findings. Finally, several issues and challenges concerning the reliability and ethics of my methodological approach are explained.

In summary, this chapter presents a thorough research plan and strategy to gather, analyse and triangulate a variety of primary empirical data with the aim of answering the central research question:

*‘How do private agents impact labour standards through PVR?’*

### 4.1 Research design

Case study research design is one of the most popular and widely used research approaches in business research (Eisenhardt and Graebner 2007). The central advantage that case study research provides this specific research project with is that it is generally of an “actor-centric nature” (Pihlanto 1994, p. 369; see also Dubois and

Ford 2015). This is paramount because my research aim is to gain an authentic and context-specific perspective on the in-situ experiences and views of the relevant private actors surrounding the potential success or failure of PVR in contributing towards the regulation of work and employment.

*"[The] case study is a research strategy which focuses on understanding a phenomenon within its natural setting. In the case study, attention is paid to contextual conditions, regarded as highly relevant to the phenomenon being investigated, (...) the focus is on contemporary events, and the experience of the actors" (Iacono et al. 2009, p. 40).*

#### **4.1.1 Hierarchical multiple site case studies**

A favourable characteristic of case study design is that it is useful for exploring phenomena where there is little accumulated knowledge. Case studies are well suited for researchers to explore new subject areas and to inductively generate new theory (Kirton and Greene 2010). This is relevant in the context of this research as Chapter Two demonstrated that, thus far, an understanding of which actor-centric factors could lead to the success or failure of PVR to shape labour standards within firms is currently missing. The case study is therefore ideally suited as a research design for this project. Similar to other comparative case study researchers (e.g. Collins and Wickham 2004), I aim to strike a balance between on the one hand, exploring and illustrating the richness of my case studies, whilst on the other hand, still making some cautious abstractions and generalisations regarding the potential success or failure of PVR in contributing towards the regulation of work and employment in the UK.

Rather than merely zooming-in extremely closely to one specific site as, for instance, in Burawoy's (1998) 'extended cases study'; nor remaining extremely generalist and abstract as in Karam et al.'s (2008) 'representative case study' – what is particular about this project is that instead, I simultaneously examine PVR at two separate and yet highly integrated levels of analysis. First, I compare case studies at the level of analysis of collective organisations, and second, I contrast this with cases on the level of singular firms. This two-tiered case study design can be used to understand broader issues (e.g. see Brax and Jonsson 2009).

My approach is analogous to Wallace and Pocklington's (2002) design, who used 'hierarchical multiple site case studies'. They investigated the context of two local education authority initiatives to reorganize the provision of local schools and how the initiatives played out in some of the schools in each local education authority. By utilising this two-tiered approach Wallace and Pocklington were able to recognise the particularities of the local education authorities and the specific schools, while also identifying what was potentially a generalisable finding about the initiatives. What is particularly useful about hierarchical multiple site case studies in the context of my research focus of UK-based PVR, is that it enables me to make some – albeit cautious – generalisations, while still illustrating the depth and richness of my cases studies on each level of analysis.

#### 4.1.2 Comparative case studies

Bryman and Bell (2015, p. 68) explain that most (non-comparative) case studies 'focus on a bounded situation or system, an entity with a purpose and functioning parts'. What follows from this statement is that most case study research tends to use an *idiographic* research approach. This means that case study research tends to embrace the unique features, facts and processes that are associated with the *specific* case study in question (Bryman and Bell 2015). Stake (2005) expands on this and argues that *comparative* case studies can also be useful beyond a single case and are considered *nomothetic* because they can potentially provide insights into more universal phenomena. That is why Bartley (2018, p. 14) contends that "comparisons can reveal parallels that would be missed by studying a single issue or location". By focusing on both the commonalities and divergences across my case studies and cross-checking this with other, published research, I will develop a generalisable theoretical argument.

There is reason for caution however, as there is some criticism of comparative case study research. Dyer and Wilkins (1991) argue that this design tends to make researchers pay less attention to the specific case study context and focus more on contrasting the cases. They favour more unstructured, open-ended approaches to emphasise context-specific insights of each respective case. Building on this, my

research design is in line with Bryman and Bell who argue that “the key to the comparative design is its ability to allow distinguishing characteristics of two or more cases to act as a springboard for theoretical reflections about contrasting findings” (2015, p. 75).

Comparative case study research is most used in cross-national or cross-cultural research (see Usunier 1998); however, it can also be used at the level of individuals, organisations or even societies at large (Bryman and Bell 2015). Comparative case studies also typically entail the application of identical – often multiple (Knights and McCabe 1997) – methods to two or more meaningfully contrasted cases as this allows the researcher to understand the particularities of the specific cases, while also identifying the broader, more generalisable findings (Hancock and Algozzine 2016). Thus, by identifying either the *similarities* or the *differences* between different cases, it is easier in comparative research than in single case study research to identify the *explanatory* or *independent variables* which may help elucidate the variation of the *outcome variable* (Stake 2005) – which is precisely the aim of this project.

#### 4.1.3 Case selection

What is distinctive about this project is that I selected and compared case studies on two separate levels of analysis. The first is the level of collective organisations, who engage with their member employers through a variety of PVR activities. Here, my two chosen cases are BITC and Stonewall. The second level is that of their member firms. On this level, ten firm level case studies were chosen, out of which five firms were selected from the private sector, four were from the public sector and one from the voluntary sector. More specifically, there were three governmental organisations, two private law firms, one IT company, a professional services business, a HE organisation and a building society. Pragmatic decision-making, such as the negotiation of access and building of rapport with the ‘gatekeepers’ played an essential role in selecting my cases (Devers and Franket 2000; Reeves 2010). However, more importantly my case studies on both levels of analysis were selected according to Seawright and Gerring’s (2008) classification of comparative case studies. The logics

that these two levels of case study selection followed are consecutively unpacked in the succeeding sub-sections.

### **Level one: membership organisational level**

On this level, the selected cases were chosen according to Seawright and Gerring's (2008) 'most different'/'most similar' cases along the dependent and independent variables. Since the project research aim is to understand the potential underlying causes for the success or failure of PVR in regulating work and employment in the UK, it was important for the context or scope within which my explanatory or independent variables were embedded to be as 'similar' as possible. Both of my selected collective organisations cases used extremely similar approaches to achieve their goals, including: first, general guidance through toolkits and guides; second, direct engagements with their members through training, consultancy and membership events; and third, the assessment and evaluation of employer practices and policies through awards, benchmarks, certifications and tailored feedback. Additionally, BITC and Stonewall are also 'similar' in that they are both 'influential' case studies (Seawright and Gerring 2008), as they are notable for their size, age, influence, and prestige in comparison to other British organisations involved in PVR<sup>14</sup>. This is also an important pragmatic selection criterion, as these two case studies offered the potential for more interviews, as well as a higher probability for salient and rich stories (Hébert 2001).

While the explanatory variables from BITC and Stonewall are broadly comparable, the outcome variables of BITC and Stonewall, in terms of labour standards, can be described as 'most different'. The central aims and foci of BITC and Stonewall are considerably dissimilar from one another. On the one hand, the focus of BITC is the promotion of responsible business and CSR practices by engaging directly with British firms (BITC 2020). Stonewall, on the other hand, is concerned with

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<sup>14</sup> For instance, 'Employers for Carers' (EfC) is an employers' membership forum which evolved from a pioneering group of employers in 2009. Although this organisation has since grown to now engage with over 100 member employers across the UK, its size and reach are dwarfed in comparison to the likes of BITC and Stonewall (EfC 2019).

the rights, equal treatment, and societal acceptance of all LGBT people in UK. It aims to achieve this through a multitude of pathways including the lobbying of governments, and the direct engagement and representation of LGBT individuals (Stonewall 2020).

These differences are desirable for my case study selection since they enable me to generalise empirical findings and thus to uncover broader, overarching tendencies of organisations that are engaged in PVR rather than specific issue-related changes to labour standards. My aim is not to research whether PVR is useful in its precise application towards CSR or LGBT rights. Instead, this project is doing something more ambitious. The aim is to understand how PVR, on a more abstract level, works and operates, and what the broader more overarching tendencies and social mechanisms which influence the success or failure of PVR in regulating work and employment. In other words, the divergent aims and foci of BITC and Stonewall were helpful in that they allowed me to identify and research those significant independent variables that shape and influence labour standards on a higher level of abstraction and theory-building (see Eisenhardt and Graebner 2007).

### **Level two: firm level**

On this second level of case studies, my selection criteria were chosen using two of Seawright and Gerring's (2008) logics, namely first, the 'most similar' cases along variables *other* than my dependent and independent variables, and second, two selected 'extreme' cases on the dependent variable. The most similar cases were chosen as these are "broadly representative of the population will provide the strongest basis for generalization" (p. 298). The variables that were kept constant here were (1) the location (mainly Wales), (2) the sector (the BITC members were predominantly private sector and the Stonewall member mainly public sector<sup>15</sup>), and (3) size (mostly the case studies were medium-large enterprises with over 250 employees). Two extreme cases were also selected on the dependent variable labour

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<sup>15</sup> This is because most of the member businesses of BITC in Wales are private businesses, while the most active members of Stonewall in Wales are predominantly public bodies.



standards. The first extreme case is on the dependent variable is a CSR consulting body from the voluntary sector which was founded for the sole purpose of consulting firms based on ethics, responsible business, and CSR. The second extreme case is case study 10, a governmental organisation that is widely recognised as a leader in the field of LGBT equality which has even won Stonewall's UK-wide first spot within the WEI. These two firm level cases were categorised as extreme cases due to their leading nature in the contexts of CSR and LGBT-equality.

In total, ten organisations served as my firm level case studies, out of which four are members of both BITC and Stonewall, four were only BITC members and two were only Stonewall members. Table 4.1 provides an overview of some of the basic information surrounding the ten firm level case studies.

**Table 4.1:** Overview of mini case studies.

Case study	Stonewall member	Since when ?	BITC member	Since when?	Sector	Type of organisation	Staff	Number of interviews
1	No	N/A	Yes	2016	Third	Consulting firm	>10	2
2	No	N/A	Yes	2012	Private	Building society	>1000	2
3	No	N/A	Yes	2015	Private	IT	>10	2
4	No <sup>16</sup>	N/A	Yes	2015	Private	Law	>150	3
5	Yes	2012	Yes	2013	Private	Law	>750	5
6	Yes	Unk.	Yes	Unk.	Private	Professional services	>200000	3
7	Yes	2001	Yes <sup>17</sup>	2017	Public	HE	>6000	9
8	Yes	2013	Yes	2017	Public	Government	>1000	6
9	Yes	2010	No	N/A	Public	Government	>5000	4
10	Yes	2007	No	N/A	Public	Government	>200	6

<sup>16</sup> Although not officially a member, this law firm reported to have engaged extensively with Stonewall, including the attendance at several of Stonewall's events.

<sup>17</sup> It is only one of the schools within this University that is officially a member of BITC and not the entire University.

#### 4.1.4 Overview of membership case studies

Next, I describe my two selected membership case studies, BITC and Stonewall, in more detail. The case descriptions highlight their main features, including a summary of their history, organisational structure, regional branches, issues, memberships, as well as activities and services.

##### **Business in the Community**

‘Business in the Community’ or simply ‘BITC’ is a business-led and business-driven employer membership organisation that was founded in 1982 as one of the Prince of Wales’ Charities (BITC 2020). Its charitable mission is to promote CSR and responsible business practice to positively shape business impact on the environment, society, the marketplace, the community, and the workplace. Employing more than 400 staff across its offices in London, Cardiff, Edinburgh, and Belfast, BITC is one of the largest CSR coalitions worldwide (BITC 2020).

##### *History*

BITC was founded during a period of stark political turmoil and social unrest. During the 1978-1979 ‘Winter of Discontent’, the Labour government under Prime Minister James Callaghan was unable to contain widespread union strikes for pay rises. This led to the election of the Conservative government under Margaret Thatcher that legislated to restrict the power of unions. Unemployment was at an extreme high due to mass redundancies in manufacturing (Kelly 1990). Moreover, there were large cuts to public services and the welfare system at a time when welfare dependency was increasing (Carley et al. 1991). These events led to several inner-city riots which took place in locations such as Toxteth and Brixton (Parker and Atkinson 2018).

In April 1980, an Anglo-American conference was organised at Sunningdale Park (BITC 2020). The focus of the conference was on corporate involvement in local communities and was attended by government officials, as well as senior executives of major businesses from both the USA and the UK. The aim was to explore the concept of CSR and to provide the opportunity for an exchange of experiences

between the two nations (Marinetto 1998). The then-recent socio-political developments provided a powerful stimulus to the CSR movement. During the conference, business leaders and government officials agreed that the private sector should play a bigger part in revitalising communities and that this could not simply be done through charitable gestures. The Conservative government urged employers to initiate social projects and to engage in their local communities as part of a private sector led programme of economic development which could place the small business sector at the centre of community regeneration (Marinetto 1998). The aftermath of this conference led to the formal establishment of BITC in 1982, supported by 30 initial founding companies. By 1985, the membership had reached 108 firms.

According to David Grayson (2007), an Emeritus Professor of CSR at the Cranfield School of Management, BITC had seen three major phases in its development between its foundation and the mid-2000s. Phase one was during the 1980s, when BITC predominately championed business support for local enterprise agencies with the aim of regenerating local economies through small business development and reskilling in deprived areas where the economy was depressed by business closures (BITC 2020). During the 1990s' phase two, BITC then promoted a wider agenda of corporate community investment and encouraged businesses to better organise their involvement, showing them how to receive returns for their efforts. BITC also began to focus on bringing racial and gender diversity into the mainstream. Finally, during the early 2000s in phase three, BITC began to intently focus on CSR and responsible business, as well as on the competitive advantages for individual companies of engaging and the pressure of sustainability as a business challenge (i.e. business-case framing; see Grayson 2007).

#### *Organisational structure and regional branches*

BITC is a registered charity and company limited by guarantee. It is governed non-democratically by an executive director and the national board of directors from its headquarters in London – currently chaired by Mark Price, who is the former managing director of Waitrose and deputy chairman of John Lewis. Since 1982, BITC has had four chief executive officers and in 2016, the chief executive became Amanda

Mackenzie. Throughout BITC's 35-year history, Charles, the Prince of Wales has been BITC's only president.

BITC also has three regional branches spread across the UK: BITC Cymru (where most of my data gathering took place), BITC Northern Ireland and BITC Scotland. Each of these branches has a regional advisory board, including a chair, although these have no significant legal standing. However, they do give advice on strategic and financial direction and can sign contacts. Despite the regional branches of BITC being governed by the London headquarters, they each enjoy relatively high levels of autonomy. For instance, each branch can set up its own sub-committees to research an issue in depth. Nonetheless, they also have very close ties to the London headquarters, since all programme heads are located there.

### *Issues*

The ethos of BITC is that 'business-as-usual' is not an option. Economic, social, and environmental challenges are encouraging businesses to change the way they operate and take responsibility concerning how they manage growth and how they engage with communities. BITC's website emphasises that responsible business goes beyond merely making charitable contributions through business profits. Instead, BITC is focused on how firms make their money and the effect that this has on different aspects of society (BITC 2020, 'We Focus On' section). BITC focuses its attention on five core substantive issues – or the five 'Es':

1. Environment: BITC challenges the consumption-based model of business as it undermines the biological and physical systems upon which it relies. It emphasises three environmental areas: (a) the effective usage of resources, (b) the protection of ecosystems, and (c) tackling climate change.
2. Education: BITC does not believe that social background should predict people's success in school and in their future careers. It encourages businesses to help develop economically viable and cohesive communities that support young people and provide them with working opportunities.

3. Enterprise: BITC also encourages large businesses to support small, local businesses and social enterprises with the aim of improving their performance and profitability, as well as helping them to grow and create new jobs.

The so-far-mentioned three substantive foci of BITC have only a secondary relevance for this research project as they are only indirectly concerned with issues that relate to labour standards and the effective regulation of work and employment. Contrastingly, the following substantive foci are directly concerned with work and employment-related issues:

4. Employability: BITC also encourages its members to provide sustainable and meaningful employment as one of the pathways to improve livelihoods and communities. It does this by investing in work experiences and in new approaches to recruitment, as well as by breaking down barriers to employment for disadvantaged groups, such as ex-offenders or the homeless. BITC argues that both businesses and communities can benefit by boosting employability, improving retention rates, and achieving higher levels of productivity.
5. Employees: The final issue addressed by BITC is the need to ensure that the mental and physical health, age, gender (identity), sexual orientation, race, religious beliefs and political status of employees do not limit their engagement or success in the workplace (BITC 2020, 'Employees' section). On its website BITC formulates six key recommendations which it suggests businesses follow: (i) to publish average pay rates of male and female employees, and to develop and reveal their action plans to resolve any potential pay gaps with regards to the above-mentioned protected characteristics; (ii) to enforce a zero-tolerance of harassment and bullying in the workplace; (iii) to measure and set targets to improve diversity in recruitment and career progression; (iv) to ensure all employees, in particular those responsible for pay, recruitment and promotion undergo regular training (e.g. unconscious bias); (v) to sign the "Time to Change" pledge and aim towards improving mental wellbeing in the workplace; and finally, (vi) to

understand the pension projections of employees and calculate when they can afford to retire.

### *Membership*

In the 40 years since its foundation, BITC's membership has expanded to reach over 850 UK companies, including many large companies, and over half of the FTSE 100. Beyond businesses however, BITC also aims to remain connected to "community, faith and ethnic minority groups, government, charities and individuals" (BITC 2020, 'Skills and Inclusion' section).

Each member of BITC is appointed a corporate adviser or account manager. It is their role to challenge and support the member business and help them develop and deliver a business strategy that incorporates BITC's core values. As part of the membership package, members receive discounts for training and have access to management and benchmarking tools. Finally, members can display the BITC logo to raise their profile and highlight their membership to the public. There are significant differences between BITC's different membership offers which are tailored to businesses of different firm sizes, as well as their capacity and willingness to get involved with BITC and its programmes and services.

### *Activities and services*

BITC utilises a range of measures and strategies to help engage member and non-member employers in CSR and responsible business. In particular, BITC uses various engagement programmes which are typically led by an individual or group of senior executives and aim to address some need in society surrounding key areas such as education, employment and enterprise. These programmes can be used by both members and non-members, although members receive a discount. For example, BITC's employee volunteering programmes offer businesses the opportunity for their staff to donate their time and skills during their working hours to address social issues within their local communities, such as with 'Give and Gain Days', 'Business Class' or the 'Homeless Action' programmes.

BITC also offers businesses a vast amount of informative research documents (BITC 2020, 'Our Resources' section). Both member and non-member businesses can interact with BITC via its training programmes – although again, BITC members receive a discount. Alternatively, BITC also offers bespoke training that can be delivered in-house at companies for the specific needs of a senior team for example. Members further benefit from ongoing advice and consultancy via email, telephone, and meetings with their account manager throughout the year, who is responsible for keeping them up-to date with anything that is within their CSR interest. This bespoke form of advice and consultancy is delivered to member businesses in four core areas, namely 'strategy development', 'performance reporting', 'implementation planning' and 'responsible procurement support'.

BITC offers four benchmarking tools which focus on measuring and ranking different areas of businesses' performance. These tools range from BITC's 'CR Index' which is an expansive tool to "systematically measure, manage and integrate responsible business practice" (BITC 2020, 'About Us' section) to the much smaller 'Responsible Business Check-UP' targeted at smaller companies; all the way to BITC's more issue focused benchmarks, such as the 'Community Mark' and the 'Diversity and Wellbeing Benchmark Survey'. Although it is important to note that, overall, BITC's benchmarking tools are used rather irregularly.

Another type of PVR measure used by BITC are the annual 'Responsible Business Awards'. Member and non-member businesses of all sizes and from all sectors can enter a submission into ten award categories such as the 'Outstanding Employment Award', the 'Health and Wellbeing Award' or the 'Race Equality Award'. Each category is sponsored by a different business each year and applications are assessed by a panel of business representatives. Award winners, as well as runners-up and shortlisted businesses are publicised at BITC's annual celebration, on various online platforms, as well as in BITC's various case study guides (BITC 2019a). Besides award celebrations, BITC also hosts other informative events surrounding different topics, such as climate change, race discrimination at work or sustainable business models (BITC 2020). They provide businesses with a chance to network with each other. Above all, this is the case at the annual Responsible Business Awards where

businesses are judged on their innovation, creativity and a sustained commitment to CSR and celebrate examples of best practice.

## **Stonewall**

‘Stonewall Equality Limited’ or simply ‘Stonewall’ is a British NGO with charitable status. It is named after the Stonewall Inn in New York City, which was the site of the Stonewall riots in 1969. These were a series of spontaneous demonstrations by the LGBT community against police raids and are widely considered one of the most important events leading to ‘gay liberation’ and the birthplace of the LGBT movement (Carter 2004). In its mission statement Stonewall promises to: “let all lesbian, gay, bi-sexual and transgender people, here and abroad, know they’re not alone” (Stonewall 2020). With a staff of 64 employees and a budget of £4 million across all of its branches, Stonewall is currently the largest charity that focuses on the rights of LGBT people in Europe (University of Birmingham 2015).

### *History*

Stonewall was established on May 20<sup>th</sup> in 1989 by LGBT political activists and those lobbying against Section 28 of the Local Government Act – which stated that local authorities “shall not intentionally promote homosexuality or publish material within the intention of promoting homosexuality” (UK Legislation 2019). Its founders include English actor Sir Ian McKellen, the LGBT rights campaigner Lisa Power and the British Labour politician Lord Cashman. Initially, the aim was to create a professional lobbying group that would prevent political attacks on lesbian, gay and bi-sexual (LGB) people. However, by the time that Section 28 was repealed in 2000 in Scotland, and in 2003 in the UK, Stonewall had already diversified its attention to issues beyond governmental lobbying and was aiming to improve integration of LGB people within all levels of society, including schools, workplaces, communities and individuals’ lives. Nonetheless, lobbying has remained one of Stonewall’s core activities. One of its successes was the lifting of the ban on LGB people serving in the British military (Belkin and Evans 2000). Stonewall also helped to secure civil partnership and same-sex



marriage, and to ensure that the Equality Act 2010 protected LGB people in terms of goods and services (Wadham 2010).

Until 2015, Stonewall had chosen to solely focus on sexual orientation, thus excluding gender identity from its main focus, and instead only working in conjunction with other transgender charities<sup>18</sup>. However, after some external criticism, such as by the London Transfeminist Group in 2008, as well as the transgender campaigner Natasha Kennedy (Guardian 2010), Stonewall launched a plan to fully incorporate gender identity into its core objectives. In doing so, Stonewall converted from an LGB charity into an LGBT charity. Since then, transgender issues have been guided by Stonewall's 'Trans Advisory Board'.

#### *Organisational structure and regional branches*

Stonewall is a registered charity with an elected Board of Trustees. Since its formation, Stonewall has had four chief executives; and since 2014 Stonewall has been directed by Ruth Hunt. Employers can become members of Stonewall's Diversity Champions (DC) programme or can remain more informal supporters, known as 'Friends of Stonewall' and 'Close Friends'; however, Stonewall is not a democratically run organisation. Their members and supporters provide funding to Stonewall and may also serve as sounding boards for campaigns and offer expertise and influence. Yet, decision making remains with the London-based leadership of the charity. This is slightly different for the Welsh branch of Stonewall Cymru, where there is a database of over 500 supporters who receive regular correspondence from Stonewall, and who elect a voluntary council to guide Stonewall Cymru's work.

Stonewall operates across the entire UK with 'Stonewall GB' being based in London, 'Stonewall Cymru' (Stonewall Wales) is based in Cardiff and North Wales, and finally, 'Stonewall Scotland' is based in Edinburgh<sup>19</sup>. Stonewall's main source of funding is through its membership DC programme, whereby employers pay an annual

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<sup>18</sup> However, Stonewall Scotland had previously done some campaigning and research on transgender issues.

<sup>19</sup> Since April 2018, there is also a Diversity Champions programme that was launched in Northern Ireland.

subscription fee to operate the different aspects of the programme, including events, guides, and other services. However, it also serves as a cross-subsidy for Stonewall's other activities, such as governmental lobbying, LGBT education in schools, and research programmes.

An additional important source of funding for Stonewall is by responding to governmental programmes and initiatives or consultation exercises. Stonewall regularly bids for governmental sponsorship to deliver specific programmes or research outcomes. For instance, Stonewall has successfully bid for government money through the Department of Trade and Industry's Equality Unit to produce an employer guides for LGBT equality and inclusion. Such guides are typically designed with the aim of highlighting issues, raising awareness, and disseminating information. Stonewall's work has then often been used by governmental departments to produce toolkits or guides of their own, such as the Office of National Statistic's publication, 'Sexual Orientation and the 2011 Census'.

### *Issues*

Stonewall's core objective is to empower LGBT people and to limit harmful behaviours such as bullying and harassment, whilst also encouraging and celebrating inclusiveness and diversity. For this, it targets a variety of institutions, including workplaces, schools, health care providers, sports clubs, and religious institutions. Stonewall also helps build the profile of LGBT role models and allies through training programmes and campaigning to help create an environment that enables LGBT people to participate successfully in society. Finally, Stonewall lobbies and campaigns government to change laws and ensure equality for LGBT people. When possible, the charity also aims to collaborate with government to ensure that they do not become complacent about the rights of LGBT people.

### *Membership*

Stonewall's engagement with employers is first and foremost through its DC programme which is the main employer membership branch of Stonewall. In brief, it operates by employers taking out an annual subscription and in return they are

offered help, advice and support on how to develop their policies and practices to create more equal workplaces with regard to sexual orientation and gender identity. DC was first launched in 2001; since then membership numbers have grown from approximately 65 member employers (Alison Parken, Stonewall Cymru, Former Director, 30.10.2006, Cardiff) to over 1050 in 2020 (Stonewall 2020, see 'DC members section').

Initially, the programme was mainly oriented towards large private sector businesses and governmental departments such as the Home Office, since these employers had a greater influence on society and in setting standards in their respective marketplaces. However, in recent years Stonewall has made conscious efforts to expand its membership to smaller organisations. Although Stonewall pursues a 'strategy of growth across all sectors', some sectors have experienced faster growths in DC memberships than others. For instance, a preponderance of public sector organizations in Stonewall's DC membership may partially be attributed to the public sector equality duties (PSED) that is imposed solely on employers in the public services. Similarly, Stonewall has managed to engage with five out of the top seven investment banks in Britain. In contrast, the technology, engineering, and construction sector experienced slightly slower membership growth rates.

#### *Activities and services*

Similar to BITC, Stonewall also utilises a range of different activities and services to engage with and influence the behaviour of its member employers. First and foremost, Stonewall assigns an account manager to each of its DC members, whose aim is to help and support member firms in becoming more LGBT inclusive. The amount of contact with DC members varies between different organisations from a couple of times a year with most members, to fortnightly or even weekly meetings with the keenest members. During meetings, account managers can make bespoke suggestions, and devise (or update existing) action plans to engage members in different activities. This might include circulating informative documents or examples of best practice in the form of guides or toolkits. Stonewall might also invite members to seminars, training programmes or membership events. In particular, the annual

workplace conference which takes place in each of Stonewall's headquarters provides members with informative seminars, as well as an opportunity to exchange and learn from other members.

Stonewall's most prominent tool, however, is the annual benchmarking survey WEI which gathers data from organisations to measure their progress in achieving LGBT equality and inclusion. It compares their results against an evolving standard of best practice and then uses them to devise a list of the best performing organisations, called the 'Top 100 Employers'. Organisations who perform particularly well in specific areas can also receive awards. These awards provide Stonewall with another pathway through which to record case studies and disseminate examples of best practice across the membership and further into society. For example, Stonewall has an explicit focus on encouraging the creation of LGBT employee networks within workplaces to provide LGBT workers with a 'voice' and ideally feed into organisational decision making, or even provide cross-organisational LGBT networks.

## 4.2 Data collection

There are a variety of suitable sources of data collection methods which are useful in the construction of detailed narrative case studies to highlight relevant patterns and processes (e.g. see Yin 2011; Dezalay and Garth 2010).

*'Case study [research] relies on multiple sources of evidence and multiple data collection techniques' (Iacono et al. 2009, p. 41).*

In total, this project uses four research methods to gather and analyse empirical evidence, though semi-structured interviews remain the core method. The other three methods are: a relational content analysis of websites, online articles, and documents; participant and non-participant observations; and two small-scale online surveys. Each of the four sections corresponding to the methods contains three parts which highlight each method's sample selection, before focusing the associated data collection process, and finally, methodological limitations.

### 4.2.1 Content analysis

During the preliminary stages of data collection, an inductive approach was used to collect some initial information. This was useful as it enabled me to enter the field with an open mind and let the evidence speak for itself from the bottom-up (Locke 2007). For this, I primarily used a content analysis through desk-based research into websites, documents and press releases to develop an overview of the relevant tools, players, concepts, and issues surrounding BITC and Stonewall. Content analysis<sup>20</sup> is a useful data collection method to gain insight, especially into written documents. It is used to systematically identify and analyse various artefacts (e.g. words, pictures, concepts) in recorded human communications of various origins, such as books, speeches, magazines, or as in the case of this study – websites, documents and press releases (Elo and Kyngas 2008): “Content analysis (...) mean[s] the scientific analysis of communication messages” (Barcus, 1959, p. 8).

In contrast to the widely used *conceptual* content analysis which tends to focus on specific word counts (see Elo and Kyngas 2008), I used a *relational* content approach whereby the focus is instead on ideas and concepts in written human communication (Holsti 1969). Applying relational content analysis to the documents and websites of BITC and Stonewall entailed several methodological strengths. First, content analysis is unobtrusive, in the sense that it allows the researcher to avoid any reactive biases, whereby a respondent could alter their response (Hine 2011). Additionally, as the websites of BITC and Stonewall are openly accessible, they also entailed fewer ethical barriers since I was not dealing directly with people (see Stoughton et al. 2015, see also Appendix D for approved ethics form). Finally, by gaining an initial overview of the PVR organisations under investigation, I was able to formulate more insightful and differentiated interview questions, as well as to improve my rapport with the respondents in the interviews that followed.

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<sup>20</sup> Despite containing the word ‘analysis’, please note that *content analysis* is a data gathering method (Bell et al. 2018).

### Content analysis sample

In the case of this research project, content analysis provided a pragmatic, useful opportunity to explore and gain some basic, preliminary knowledge about my two selected case study organisations, as well as their member firms, before engaging directly with them through in-depth interviews and online surveys. I read, coded, and analysed 103 documents, which were mainly accessible through the websites of BITC and Stonewall, including reports, guides, toolkits, and information packs. Table 4.2 provides an overview of the documents that were examined in the content analysis.

**Table 4.2:** Overview of content analysis.

Membership organisation	Type of content	Example	Number analysed
<b>BITC</b>			
	Research reports	'Beyond Pay: Improving low income employment'	38
	Toolkits	'Breaking down the barriers: How to develop a fair and open recruitment process'	22
	Impact stories	'From sleeping on the streets to working at KPMG'	12
	Factsheets	'Employing young people with criminal convictions'	8
	<i>LexisNexis</i>	<i>Containing the term 'Business in the Community'</i>	<i>(305)</i>
<b>Stonewall</b>			
	Report	'LGBT in Scotland – Work report'	11
	Guide	'Setting-up an LGBT employee network'	8
	Sample poster	'Rainbow laces A3 poster'	2
	Case studies	'LGBT workplace stories'	2
	<i>LexisNexis</i>	<i>Containing the term 'Stonewall'</i>	<i>(377)</i>
<b>Total</b>			<b>103 (785)</b>

In addition, during the initial exploration phase of researching BITC and Stonewall, I also used historical analysis of press reports to better understand how

these organisations had developed over time and the issues they were dealing with. The online tool 'LexisNexis' enabled me to access its electronic database of newspaper articles and legal and public record related information, which is widely considered to be the largest online database of its kind in the world (Vance 2010). This allowed me to systematically extract, read and analyse every online available newspaper article and press release which contained either of the terms 'Stonewall' or 'Business in the Community'. For BITC, this resulted in a total of 305 analysed newspaper article and press release between 1985 and 2017; whereas for Stonewall the analysis amounted to 377 articles between 1993 and 2017. The LexisNexis analysis was useful to better understand significant developments and identify influential organisations and individuals surrounding BITC and Stonewall, as well as the wider historical political and societal context surrounding CSR and LGBT equality. It also allowed me to identify some of the key leadership positions occupied in BITC and Stonewall.

### **Content analysis process**

All the documents from BITC and Stonewall websites were read in full a total of three times and the central units of analysis were operationalised to specify a fitting coding scheme (see Hsieh and Shannon 2005). During the first, more superficial reading, I made notes regarding the activities of BITC and Stonewall, as well as important occasions, people, and events. During the second, more in-depth reading, slightly less obvious themes were identified and coded, such as overall changes in issue-foci or shifts in the narrative<sup>21</sup>. Finally, the materials were read for a third time to ensure information about the organisations was accurate. Subsequently, the traditional sequence of open, axial, and selective coding was applied to these data which allowed for both the manifest and underlying, latent content and themes to emerge (Given 2008).

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<sup>21</sup> A relevant example of this was how the tone shifted over the years regarding Stonewall's Top 100 list of the most successful employers in the WEI. While initially, there were some organisations who chose to not publicly announce their participation in the WEI, in more recent years, many organisations are openly using it as a public image management tool.

### **Content analysis limitations**

Three limitations of relational content analysis should be acknowledged. First, some of the documents that were available to download on the websites went beyond the scope of the study. BITC provides a total of 275 different informative documents, publications, reports, guides, and toolkits, as well as 1337 different case studies on their website (see BITC 2020, 'Our Resources' section). Out of these, only some (80 documents) were analysed in full, based on pragmatic decision-making. Second, the BITC and Stonewall websites were designed by the organisation's staff which raises the question whether they were selectively displaying information (see Lombard et al. 2002). Finally, personal biases may at times affect the coding process and analysis (ibid). To minimise these problems, I followed Hall's (1980) advice to code the content analysis data rigorously and interpret the findings cautiously, thereby remaining transparent.

#### **4.2.2 Semi-structured interviews**

Semi-structured interviews function as the backbone of my research. Interviews are among the most rewarding, albeit one of the most challenging, forms of qualitative research enquiry (Brinkmann 2014). Direct contact with respondents allows the researcher to react and adapt to each individual interviewee. One open, talkative, and helpful respondent may reveal a priceless amount of information and potentially become a 'key informant' for the research project (Gilchrist 1992, p. 70). On the other hand, the coordination and administration of interviews are time-consuming. They require a lot of preparatory and successive work, as well as potential travel time and costs. Interviews also require a considerable amount of social skills on the side of the researcher, who should ideally always remain adaptable and maintain a personal sensitivity towards interviewees (Berg 2001, p. 101).

Before commencing the data collection, three pilot interviews were conducted with friends and colleagues as advised by Van Teijlingen and Hundley (2001). This was helpful to gain confidence, to rehearse how to pose questions and to anticipate situations in which interviewees might misunderstand a question. The formulation



and structure of the questions was also revised and improved through the piloting process to provide a clearer sequencing of questions that was easier to follow.

### **Interview sample**

In selecting a sample of interviewees from my case studies, my aim was to balance the quality of the data with its external validity, practicality, and the generalisability of my findings until reaching saturation point (Mason 2010). Broadly, a mixture of expert sampling and snowball sampling was used to identify my interview sample. Expert sampling involves the assembling of a sample of respondents with known or demonstrable experience and expertise in the area of research interest (Baker et al. 2012); thus, it is not random, but purposeful. To guarantee external validity and generalisability I ensured that I interviewed respondents from a variety of roles, departments, and locations from my two case studies and their member firms. More importantly, I was able to pragmatically negotiate the vital extensive access to the key informants from within my target organisations. In addition, snowball sampling was extremely useful as it enabled me to gain access to new, as well as key informants (see Biernacki and Walkdorf 1981).

As a result, a total of 91 interviews were conducted with a range of respondents who helped me to gain an understanding of the key issues and developments surrounding BITC and Stonewall, their PVR approach, the key players involved and the potential modifying conditions of the effectiveness of PVR. These included 37 interviews with representatives from BITC and Stonewall, and 38 interviews with representatives from some of their member employers<sup>22</sup>. I also conducted 26 interviews with representatives of peripheral organisations that interact or coordinate with BITC and Stonewall, including NGOs, civil society organisations, trade unions and governmental agencies. It should be noted that several of these interviews overlapped with another research project funded by the Economic and Social Research Council (ESRC) which focuses on British employers' organisations

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<sup>22</sup> These 34 interviews were from four member employers from Stonewall and seven member employers from BITC.

towards which I was contributing as a research assistant and was conducted between 2013 and 2019 (see e.g. Bowkett et al. 2017; Demougin et al. 2018). Table 4.3 provides a summary of the key information surrounding the 91 semi-structured interviews which were conducted, transcribed, and analysed for this research study.

**Table 4.3:** List of interviewees.

Interview code	(Type of) Organisation	Interviewee Role	Date	Location	Interview Type
Interview 1	BITC Cymru	Community project worker	16.7.2013	Cardiff	BITC
Interview 2	BITC Cymru	Director	16.7.2013	Cardiff	BITC
Interview 3	BITC Cymru	Office worker	17.7.2013	Cardiff	BITC
Interview 4	BITC Cymru	Account manager	18.7.2013	Cardiff	BITC
Interview 5	BITC Cymru	Community project worker	19.7.2013	Cardiff	BITC
Interview 6	BITC Cymru	Account manager	5.8.2013	Cardiff	BITC
Interview 7	BITC Cymru	Community project worker	6.8.2013	Cardiff	BITC
Interview 8	CIPD	Associate adviser	4.11.2014	London	BITC informant
Interview 9	CIPD	Associate of inclusive talent & diversity	28.1.2015	Telephone Interview	BITC informant
Interview 10	EfC	Strategic manager	2.3.2015	London	Employer forum
Interview 11	ENEI	Advice, policy & research specialist	3.3.2015	London	Employer forum
Interview 12	Union	Assistant general secretary	13.3.2015	Birkenhead	BITC informant
Interview 13	Stonewall	Former Chief Executive	17.3.2015	Telephone interview	Stonewall
Interview 14	BITC Northern Ireland	Managing director	1.6.2015	Belfast	BITC
Interview 15	BITC Northern Ireland	People team director	4.6.2015	Belfast	BITC
Interview 16	Stonewall Cymru	Director of workplace programmes	6.7.2015	Cardiff	Stonewall
Interview 17	Business Disability Forum	Chief executive officer	7.7.2015	London	Employer forum
Interview 18	Union	Head of policy	7.7.2015	London	BITC informant
Interview 19	Union	National officer	12.8.2015	London	BITC informant

Interview 20	Union	National officer	12.8.2015	London	BITC informant
Interview 21	Governmental organisation	Director of employment	14.8.2015	Cardiff	Stonewall informant
Interview 22	Union	Regional organiser	26.8.2015	London	BITC informant
Interview 23	Union	National officer	21.10.2015	London	BITC informant
Interview 24	EfC	Operations manager	2.8.2016	London	Employer forum
Interview 25	EfC	Strategic manager	2.8.2016	London	Employer forum
Interview 26	Inclusive Employers	Senior manager	8.8.2016	London	Employer forum
Interview 27	BDF	Director of strategy	11.8.2016	Telephone interview	Employer forum
Interview 28	EOA	Head of membership	23.8.2016	Telephone interview	Employer forum
Interview 29	CAADV	Chair	30.8.2016	Telephone interview	Employer forum
Interview 30	Inclusive Employers	Senior consultant	19.7.2017	London	Employer forum
Interview 31	Stonewall Cymru	Programmes manager	15.8.2017	Cardiff	Stonewall
Interview 32	BITC Cymru	Director	17.8.2017	Cardiff	BITC
Interview 33	Stonewall Cymru	Programmes manager	9.10.2017	Cardiff	Stonewall
Interview 34	Governmental organisation	Head of policy and research	16.10.2017	Cardiff	Stonewall member firm
Interview 35	HE organisation	Business relationship manager	25.10.2017	Cardiff	BITC member firm
Interview 36	HE organisation	Senior research fellow	26.10.2017	Cardiff	Stonewall member firm
Interview 37	HE organisation	Head of HR	30.10.2017	Cardiff	Stonewall member firm
Interview 38	HE organisation	Director	31.10.2017	Cardiff	BITC member firm
Interview 39	Stonewall Cymru	Director	7.11.2017	Cardiff	Stonewall
Interview 40	BITC Cymru	Former director	8.11.2017	Cardiff	BITC

Interview 41	BITC Cymru	Director	15.11.2017	Cardiff	BITC
Interview 42	BITC Cymru	Account Manager	15.11.2017	Cardiff	BITC
Interview 43	HE organisation	Former pro-vice chancellor	21.11.2017	Cardiff	Stonewall member firm
Interview 44	HE organisation	Head of Assurance Services and EDI Manager	21.11.2017	Cardiff	Stonewall member firm
Interview 45	HE organisation	Former pro-vice chancellor	14.12.2017	Cardiff	Stonewall member firm
Interview 46	Governmental organisation	Education and skills manager	20.12.2017	Cardiff	Stonewall member firm
Interview 47	Governmental organisation	Director of commissioned services	20.12.2017	Cardiff	Stonewall member firm
Interview 48	Governmental organisation	Equality and workplace senior advisor	21.12.2017	Cardiff	Stonewall member firm
Interview 49	Governmental organisation	Senior communications lead	21.12.2017	Cardiff	Stonewall member firm
Interview 50	Stonewall Cymru	Director	21.12.2017	Cardiff	Stonewall
Interview 51	BITC	Corporate advisor	16.1.2018	Bristol	BITC
Interview 52	Private law firm	Corporate responsibility manager	16.1.2018	Bristol	BITC member firm
Interview 53	Professional services company	Apprenticeship programmes assistant manager	17.1.2018	Telephone	BITC member firm
Interview 54	BITC	Communications & event manager	17.1.2018	Cardiff	BITC
Interview 55	Institute of directors (Wales)	Director	23.1.2018	Cardiff	BITC informant
Interview 56	Governmental organisation	Diversity and inclusion manager	25.12.2018	Cardiff	Stonewall member firm
Interview 57	Stonewall Cymru	Programmes manager	29. 1.2018	Cardiff	Stonewall
Interview 58	Professional services company	CSR manager	30.1.2018	Telephone	BITC member firm

Interview 59	Building society	CSR manager	02. 2.2018	Cardiff	BITC member firm
Interview 60	Private IT firm	Managing director	09. 2.2018	Barry	BITC member firm
Interview 61	Private investment firm	Head of CSR	15. 2.2018	Cardiff	BITC member firm
Interview 62	Private law firm	Head of communications	6.3.2018	Bristol	BITC member firm
Interview 63	Private law firm	Senior partner	6.3.2018	Bristol	BITC member firm
Interview 64	Public sector organisation	Internal communications officer	7.3.2018	Newport	Stonewall member firm
Interview 65	Public sector organisation	Diversity manager	7.3.2018	Newport	Stonewall member firm
Interview 66	Public sector organisation	Head of diversity	7.3.2018	Newport	Stonewall member firm
Interview 67	Public sector organisation	Head of HR	7.3.2018	Newport	Stonewall member firm
Interview 68	Stonewall Cymru	Campaigns, policy, and research manager	8.3.2018	Cardiff	Stonewall
Interview 69	Private law firm	Senior partner	12. 3.2018	Cardiff	BITC member firm
Interview 70	Governmental organisation	Translator and editor	18. 3.2018	Cardiff	BITC member firm
Interview 71	Governmental organisation	Head of legal services	12. 4.2018	Cardiff	BITC member firm
Interview 72	Private law firm	HR consultant	13. 4.2018	Cardiff	BITC member firm
Interview 73	Private law firm	HR director	4. 5.2018	Cardiff	BITC member firm
Interview 74	Public sector organisation	Community inclusion manager	14. 5.2018	Cardiff	Stonewall informant

Interview 75	HE organisation	Researcher	14. 5.2018	Cardiff	Stonewall member firm
Interview 76	Public sector organisation	Equality & inclusion officer	18. 5.2018	Cardiff	Stonewall informant
Interview 77	HE organisation	Admission officer	18. 5.2018	Cardiff	Stonewall member firm
Interview 78	Public sector organisation	Internal communications officer	21.5.2018	Cardiff	Stonewall member firm
Interview 79	SME	Director	24. 5.2018	Cardiff	Stonewall informant
Interview 80	HE organisation	Student	29. 5.2018	Cardiff	Stonewall member firm
Interview 81	Health care	Dietician	8.6.2018	Cardiff	Stonewall informant
Interview 82	HE organisation	Internal minister	14.06.2018	Cardiff	Stonewall member firm
Interview 83	Self-employed	Writer	26.6.2018	Cardiff	Stonewall informant
Interview 84	Self-employed	Artist	7.7.2018	Cardiff	Stonewall informant
Interview 85	Stonewall Cymru	Director	28.09.2018	Cardiff	Stonewall
Interview 86	BITC Cymru	Account manager	16.10.2018	Cardiff	BITC
Interview 87	Stonewall Cymru	Campaigns, policy, and research manager	11. 1.2019	Cardiff	Stonewall
Interview 88	Bridgend Business Forum	Chair	25.2.2015	Bridgend	Employer forum
Interview 89	Public sector organisation	Head of HR	22.02 2.2019	Cardiff	Stonewall member firm
Interview 90	Third Sector organisation	Equality, diversity, and inclusion manager	3.5.2019	Cardiff	Stonewall member firm
Interview 91	Stonewall Cymru	Programmes officer	3.5.2019	Cardiff	Stonewall

## Interview process

Face-to-face interviews were given priority over telephone interviews, since they tend to give more nuance and are reported to significantly improve the bond that is created between the interviewer and interviewee (Irvine et al. 2013). They also helped me as an interviewer to observe the interviewees' non-verbal communication, such as gestures and body language which significantly contributed to the overall communication and connection with respondents (see Ekman 1964). There were two exceptions, where the interviewees preferred telephone interviews over face-to-face interviews.

At the beginning of each interview, it was important for me to effectively communicate the goal and aim of the research. For this, I brought several items to each interview. The first was an 'information sheet' (see Appendix A) which explained the context and rationale of the research so that interviewees could understand the research context. In addition, interviewees were also given an 'informed consent form' and declaration (see Appendix B). In addition, a pen and paper were always brought along to every interview to make notes when and where appropriate. I recorded each interview, with one exception, using a dictaphone and then transcribed them *at verbatim*, before editing them into clean read transcriptions (see Kvale 2008). Lastly, I analysed each interview using open, axial, and finally, selective coding (Gibson 2008).

As advised by authors such as Whiting (2008), the opening interview questions focused on the organisation that the interviewees worked for, as well as their role. This was to get the interviewees talking confidently, as they were assumed to know a lot about this topic and to also feel comfortable talking about it. Following this, the interviews followed broad topics which were designed to transition smoothly from one topic to another guided by my 'interview guide' (see Appendix D). I used linking sentences to help guide interviewees towards each new subject area. While I regularly consulted and reverted to the interview guide, these conversations were semi-structured and thus, as the interviewer I took the liberty to explore side-topics and deviate from the interview questions when interviewees brought up salient issues.

Another essential part of the interview process was to probe interviewees' answers. According to Gorden (1980) the 'silent probe' is one of the most effective ways to encourage the respondent to elaborate on their answer and that you are waiting for what they will say next. Alternatively, I at times also overtly encouraged respondents by giving them small, simple stimuli to their trains of thought or asked the interviewee to further elaborate on an interesting point or to further clarify a point they might have skipped over. The final technique that I used strategically was repetition. Here, an interviewer does not say anything new (e.g. 'What I'm hearing you say is that (...)'), yet, through this, the interviewee is encouraged to further elaborate on the issue.

Towards the closure of the interviews, each interviewee was thanked for their contribution to the research project. They were also offered to be sent the research results, as a short, 'jargon-free' report summary, and given an estimated timeframe when that might happen. Each interviewee was then asked about potential follow-up interviews and their colleagues with whom an interview might be useful to 'snowball' from this interview to the next (Noy 2008). Every interview was also followed by a brief 'write-up period', in which any thoughts, ideas, questions or observations that the interview might have contained or produced were noted down.

### **Interview limitations**

Perhaps the most obvious limitation concerns my interview sample and the potential of answers being biased. This is because for most of the interviews I carried out, a critic might argue, informants might have had a vested interest in PVR programmes appearing successful. Many of my interviewees were representatives either from BITC and Stonewall themselves, or from of firms that they put me into contact with, and many of which were either executives or HR, CSR, or EDI managers. These informants were then asked questions about the practices of the organisation they worked for. This was inevitable as these informants were the crucial individuals, who could explain how the PVR programmes were developed and implemented. However, as interviewees are 'reactive respondents', it can be presumed that some of their answers were biased towards presenting a positive image of their organisations, as



well as their involvement in PVR activities (Podsakoff et al. 2012). However, according to Mullings (1999, p. 337) ‘researcher’s knowledge is always partial (...) and will influence how the world is viewed and interpreted’. Hence, by interpreting the data cautiously, Kvale (2008) emphasises that the researcher can choose to interpret interviewees’ answers within the framework of his or her theoretical schemes.

Semi-structured interviews entail ethical concerns which should be considered to protect the integrity and privacy of the research participants (Kvale 2008). Therefore, all interviewees were informed about the study content and their rights within the interview process. The names of my interview respondents will remain strictly confidential. The information sheet and consent form which were presented to interviewees at the beginning of interviews can be found in Appendices B and C.

### 4.2.3 Participant observations

The third method which I used is called participant observation, or more precisely expressed: “negotiated interactive observations”<sup>23</sup> (Wind 2008, p. 79). Participant observation is an extremely advantageous method, as it can enrich the exploration of case studies. The researcher immerses herself into routine activities of her research field to gain context-sensitive insights into societal, occupational, and sub-cultural nuances (see Spradley, 2016).

*“The researcher interacts with people in everyday life while collecting information, is a unique method for investigating the enormously rich, complex, conflictual, problematic, and diverse experiences, thoughts, feelings, and activities of human beings and the meanings of their existence” (Jorgensen 2015, p. 1).*

Participant observation is most closely associated with ethnographic research, or “the work of describing a culture” (Spradley, 2016, p. 3); although this can be extended to researching and understanding an “organisational culture” (Hopkins,

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<sup>23</sup> During participant observations, researchers can at times remain incognito, whilst during ‘negotiated interactive observations’ the researcher still participates but tends to also reveal his or her identity as an observer (Wind 2008, p. 79). This is also at times called ‘non-participant observation’ (Cooper et al. 2004).

2006, p. 875). Participant observation can also be useful in multi-method case study research (e.g. see Beeton 2005; Brockmann 2011).

### Participant observation sample

In sum, I took part in 31 different events related to my two case study organisations. These included training courses, conferences, award ceremonies, networking events, employee network forums, interactive seminars, and webinars, as well as breakfast briefings. I even participated in two Pride marches together with the Stonewall staff and some of their member employer representatives during the summers of 2017 and 2018. Mostly, these events were organised by my two case study organisations themselves, BITC and Stonewall. Though, in some cases the events were hosted by their member employers or other partner organisations. I typically heard about these events either through listings on their websites, or alternatively by word of mouth and by building-up rapport with informants from BITC and Stonewall. Table 4.4 provides an overview of the 31 events that I participated in.

**Table 4.4:** Overview of participant observation events.

Date	Case Study	Title	Location	Description
26.8. 2017	Stonewall	Pre-pride Brunch	University of South Wales, Cardiff	This was a networking event with speeches, networking, and brunch for Stonewall members and non-members.
26.8. 2017	Stonewall	Pride March 2017	City centre, Cardiff	As part of the Stonewall employees and wider network, we marched through the streets of Cardiff, demonstrating for LGBT equality. Afterwards we stood at Stonewall's stall and networked.
25.9. 2017	BITC	Engaging with apprenticeships	ACT Training, Cardiff	This event focused on apprenticeships, and the potential benefits to business and to the people taking part in them.
1.10.2017	Stonewall	Community Action Day	Engine Shed, Bristol	With Stonewall, we took part in a day of social activism with other groups and organisations from the Bristol area including 'Stand against racism and Inequality', 'Freedom Youth', and the 'Diversity Trust'.

5.10.2017	Stonewall	Panel BAME LGBT	Sennedd, Cardiff	Presentations and panel discussion took place in the Welsh Assembly. The focus was on the experiences of black, Asian, and minority ethnic LGBT people (incl. hate crime) in Wales and the UK.
10.10.2017	BITC	Transforming Workplace Mental Health	Interactive Webinar, online	This interactive webinar invited in particular personnel and HR practitioners to learn about BITC's recent findings on mental health in the workplace. We discussed what employers can do and the challenges they face in improving employees' mental health.
11.10.2017	BITC	Circular Office Workshop	Cardiff, PwC	At this member-led event, we heard a number of case studies from BITC's Circular Economy Taskforce surrounding the sustainability of workplaces and businesses in Wales and the UK.
12.10.2017	BITC	Demystify your recruitment process	Interactive Webinar, online	This interactive webinar focused on new techniques to create transparent, open, and accessible recruitment processes for young people.
9.11.2017	BITC	Roundtable - Your workplace & employees	BITC Cymru, Cardiff	In this event, we discussed a mental health and a physical health toolkit for employees from BITC. We also discussed hints, tips, and ways to implement change. BITC also shared some case studies of what they regarded as best practice.
9.11.2017	BITC	The business benefits of the Living Wage	Cardiff Business School, Cardiff	This was a networking and informative event at Cardiff Business School's breakfast briefings which are made in conjunction with BITC and focused on the living wage research and findings.
15.11.2017	BITC	Developing a responsible business strategy	Interactive Webinar, online	This interactive webinar focused on business context, as well as designing, delivering, monitoring, and communicating a responsible business strategy.
28.11.2017	BITC	Attracting Bristol's Young Talent into	KPMG, Bristol	This event focused on what businesses can do to attract and retain new and diverse young talent, including writing advertisements, using social media, etc.

		your Business		
30.11.2017	BITC	Roundtable - Manage, measure & commu- nicate	BITC Wales, Cardiff	This session focused on the concept of 'responsible business', and the benefits of this way to manage a firm especially by communicating this to other people (incl. prospective clients, customers, partners, stakeholders).
5.12.2017	BITC	Business Awards Workshop	Student Unite, Bristol	This workshop focused on the award application process in BITC including the reasons to apply for awards, award categories, application, and assessment processes.
5.12.2017	BITC	How do businesses leverage SDGs?	Student Unite, Bristol	This event focused on the UN's Sustainable Development Goals, and how BITC and business can use the SDGs to fit into their organisational frameworks.
12.12.2017	BITC	Everyone deserves a chance to work	Cardiff Business School, Cardiff	This was a networking and informative event at Cardiff Business School's breakfast briefings which are made in conjunction with BITC and focused on access to decent and fair work in Wales.
13.12.2017	BITC	Responsible procure- ment and supply chain engagement	West Wales Utilities, near Newport	This event focused on responsible procurement, and the benefits for businesses of actively engaging with their supply chains, and how this ties into the Wellbeing of Future Generations Act.
16.1.2018	BITC	South West Annual Showcase	PwC, Cardiff	Case studies of responsible businesses were presented, and new goals, challenges and strategies were discussed.
31.1.2018	BITC	Responsible Business Award Workshop	School of Manage- ment, Swansea	This workshop focused on the award application process in BITC including the reasons to apply for awards, award categories, application, and assessment processes.
8.2.2018	BITC	Digitally Legal	Cardiff Business School, Cardiff	Case studies were discussed and presented surrounding the topic of how lawyers and businesses are changing legal services and legal risk

				management by embracing innovations in technology.
21.2.2018	Stonewall	Stonewall Workplace Conference	Mercure Holland, Cardiff	Stonewall's annual membership conference included networking, case study presentations and workshops on various LGBT related issues.
20.2.2018	BITC	BITC Cymru 2018 launch: Working with communities	SSE Swalec, Cardiff	This event aimed at informing business leader on how to get engaged in their local community. BITC brought together private, public, and voluntary sector representatives. BITC's 'Community Days' were also discussed.
8.3.2018	BITC	The value of values	Mercure Holland, Cardiff	Rosie Sweetman – BITC's former director - discussed the business-case for values. She also presented some practical steps that firms could take to drive value-led behaviours in organisation.
28.3.2018	BITC	Purpose Toolkits	Interactive Webinar, online	This interactive webinar focused on the business-case for being a purpose-driven brand and how to embed purpose into commercial activities.
6.6.2018	BITC	Wellbeing at work	Capital law, Cardiff	Capital law – an active member firm of BITC – put on this event to explore what being a responsible business means for employees' wellbeing in practice and the associated challenges and opportunities.
27.7.2018	Stonewall	Glitter talks	Cardiff University, Cardiff	The BAME LGBT network of Cardiff University –supported by Stonewall – shared eight stories of what it means to be LGBT and BAME in the UK, their experiences, challenges, and successes.
25.8. 2018	Stonewall	Pride march 2018	City centre, Cardiff	As part of the Stonewall employees and wider network, we marched through the streets of Cardiff, demonstrating for LGBT equality. Afterwards we stood at the Stonewall stalls and networked some more.
20.11.2018	Stonewall	Trans Day of Remembrance	Cardiff University, Cardiff	This event put on by Cardiff University, a member of Stonewall, was organised to mourn the Trans and gender non-conforming individuals who were killed due to acts of violence.

20.11.2018	BITC	Wales Responsible Business Awards Workshop	Cardiff & Vale College, Cardiff	During the event we discussed the award application process for BITC's responsible business awards. This also included the assessment process and things to consider during the application.
3.12.2018	BITC	Fair work: A route out of Poverty?	MotoNovo Finance, Cardiff	In this event, the quality of jobs and the labour market in Wales were discussed and debated. The Fair Work Commission presented its preliminary findings, and case studies were shared from BITC and other charities.
5.12.2018	Stonewall	Christmas Reception Stonewall Cymru	Eversheds, Cardiff	This was mainly a social, networking event; although Andrew White, the director of Stonewall Cymru, did give a speech and showed a video and slide show on LGBT equality.

### Participant observation process

During the events that I participated in, when asked, I was open about my status as a PhD researcher who was researching BITC and Stonewall as case study organisations. Thus, while participant observation *can* be conducted in a fully covert manner, I did not actively hide my identity or role (Cooper et al. 2004). Wind (2008, p. 79) defines this type of participant observation as 'negotiated interactive observation'; her description of negotiating access to a hospital resembled my access to my case study organisations BITC and Stonewall:

*"I successfully and very quickly negotiated my way into the [case study] (...). Although I was made very welcome (...) my position was a daily on-going negotiation" (p.83).*

Like Wind, I was constantly negotiating my access to the field and regularly forging new connections with potential informants. My open interactions and dialogues with various people within organisations meant that I often became an integrated part of the organisational community. This was perhaps most apparent during the Stonewall's Pride marches, where I made new contacts (including the director) and was exposed to more personal and authentic views and perspectives of those present at the events. My experiences and observations allowed me to become

sensitised to the range of ideas, discourses, and beliefs of BITC and Stonewall employees, as well as representatives from their member firms. Participating in these events also enabled me to gain an insider perspective into the functioning and internal dynamics of BITC and Stonewall and their members (Naaeke et al. 2011). Participant observation was extremely useful in gaining access to new interviewees and also allowed those interviews to become less formal and more authentic, as I had often already previously met, talked to, engaged with and occasionally, even marched with those interviewees during previous events.

### **Participant observation limitations**

Participant observation creates situations in which the researcher partakes in events while simultaneously recording what they observe. While this can enable the researcher to gain access to unique insights into case studies, it also entails several exceptional research challenges and limitations (Iacono et al. 2009). For instance, although building up the relationships and trust necessary to secure access to both of my membership organisations turned out to be a time-consuming endeavour, it was extremely successful. It was especially rewarding to gain relatively unrestricted access to many of the events of BITC and Stonewall. Yet, perhaps the most significant challenge of participant observation is the potential lack of objectivity, since the researcher may not always be an independent observer, but a participant. This can give rise to potential biases and subjectivity during the data collection phase and analysis process. Biases can arise either from the influence of the researcher over the behaviour of participants, as well as from the impact of the researcher's own axiology (i.e. values and beliefs) (see Brockmann 2011). Especially since the negotiation of access to an activist charity, such as Stonewall, demands a degree of emotional involvement with the subject matter, whilst the demands of scientific research – namely to remain objective and detached from the research subject – pull in opposite direction (Iacono et al. 2009).

During data collection, participant observation often means that researchers approach these issues in a relatively unsystematic way. For instance, I negotiated access to many of these events through relatively informal means, such as personal

contacts, business associates and internal networks. While my data collection was greatly enriched by my observations, there is nonetheless an element of subjectivity present in my usage of participant observation. Thus, in order to guarantee the validity and rigour of my empirical findings, I followed the advice from (Darke et al. 1998) to remain reflexive and endeavour to reconcile my personal experiences with the need to remain detached and objective during the data collection and analysis processes. To help achieve this, I took regular notes which I revisited after each event and then filed them electronically, to ensure accuracy. During the analysis and writing-up period, I was also cautious to present my empirical evidence in an objective and unbiased manner.

#### **4.2.4 Online surveys**

The fourth and final method used to collect my data were two self-administered online surveys which were sent out to the member firms of BITC and Stonewall in 2018 and 2019, respectively. Survey research is one of the most important tools of measurement in applied social science research (Moser and Kalton 2017). Online surveys involve the distribution of written questions to respondents who independently and anonymously answer those questions without any guidance or supervision from the researcher (Buchanan and Hvizdak 2009). The chosen method of distribution was email, as this was the most frequently used means of communication from BITC and Stonewall with their member employers. Moreover, this entailed the advantage that the survey was inexpensive to administer and did not entail any significant geographical restrictions, despite the organisations being widely dispersed across the UK.

The online surveys provided me with valuable additional data to support my qualitative findings. For instance, member firms shared their views on the reasons they chose to affiliate with BITC and Stonewall, the manner in which they interacted with other member firms, how PVR was governed internally and the effect that this had had on their employment policies and practices. A key advantage was that the online survey allowed respondents to complete the questionnaire in private and at their own convenience, allowing them to check company records when necessary. To



ensure I had the skills necessary to carry out a successful online survey, I attended a two-week course at the Essex Summer School in July of 2017. This helped build my confidence in designing and carrying out the surveys, as well as avoiding any major errors in the data collection and analysis.

### **Survey sample**

The aim of the two surveys was to collect some descriptive quantitative evidence to support and triangulate with my qualitative findings (see de Vaus and de Vaus 2013); although some open-ended qualitative questions were contained in the surveys as well. I gained access to sub-groups of the email databases of BITC and Stonewall through internal contacts; however (unfortunately) these were rather small samples. In total, seven of the BITC member firms filled out the survey out of total of 26 to whom the survey was sent out to, resulting in a response rate of 27%. For Stonewall members, the response rate was slightly higher at 33%, since 13 member firms responded out of a total of 40 organisations to whom the survey was sent out. Although representativeness remained a goal of the sampling, it did not involve a random sample selection which means a form of non-probability sampling was used (see Schillewaert et al. 1998). Thus, the sample did not depend upon the rationale of probability theory. This means that I was unable to estimate confidence intervals for the statistics, however it was simply not feasible, practical, or theoretically sensible to use a random sample selection.

### **Survey process**

Designing an online survey instrument involves numerous small decisions surrounding the content, format, wording, and sequence of the questions which can significantly impact the utility and accuracy of the research method (De Vaus and de Vaus 2013). To achieve comparable answers from respondents and to reduce the time necessary to complete the survey, I decided to use almost exclusively survey questions with structured response formats, instead of unstructured questions. This decision carried

the advantage of helping respondents to answer the questions more easily and helped me as a researcher to accumulate and summarise responses more efficiently.

More specifically, the two main types of questions that I used were either multiple choice questions or interval questions using semantic differentials which are one of the most common types of questions asked in order to get a scaled response (e.g. rate a statement from 'high importance' to 'no importance'). According to Richa et al. (2001), this structure also allowed me to ask a greater number of questions, whilst simultaneously still not being very taxing on respondents' time, and thus balancing my desire for a lot of information from respondents and the likelihood of them abandoning the survey if it was any longer. Long and complex questions were avoided to keep down the necessary time of completion. The estimated time of completion was at approximately 10 minutes and was indicated on the introductory page of the mail survey.

Another essential aspect of the survey design was the sequencing and placement of the questions (Moser and Kalton 2017). Following an introductory section, in which I introduced myself, the research, as well as emphasised the confidential and voluntary nature of the survey, my opening questions were brief and easy to answer. Subsequently, my aim was to create a sequence of questions with a continuous, natural, and logical 'flow'. Part of this was achieved by linking the various survey sections with connecting sentences that introduced the new topics in an understandable manner. Following this, highly important questions were also asked towards the beginning of the survey in case respondents did not complete or paid less attention to later questions. To cross-check and ensure that the design and sequencing of the survey questions were clear and adequate, the survey was piloted with colleagues and friends. This helped me to specify some of the contexts, elucidate any unclear terminology, as well as condense the survey by filtering-out irrelevant questions. The pilot survey also helped me to significantly improve the question formulation and avoid 'loaded' or 'biased' questions.

### Survey limitations

Similar to the semi-structured interviews, a potential survey limitation considers the possibility that I obtained some biased responses (see Kamakura 2010). It is reasonable to assume that some respondents (e.g. HR director) felt a certain loyalty towards their company and could also want it to come across as if their membership in the case study organisations was particularly useful. This potential bias was important to consider when assessing the effectiveness of the case study organisations' self-regulation tools, as respondents could have been inclined towards overestimating their significance. Another unavoidable bias concerned the survey sample. Some organisations or individuals within organisation may have been more interested in the research matter and thus more likely to answer the survey request (see Davern 2013). This means that both of my samples are likely to disproportionately represent individuals and organisations who are favourably inclined toward this research project, and the issues of raising labour standards and PVR more generally.

As the researcher, I also had no chance to explain the research in person and I could not ensure that respondents were adequately equipped to answer the questions I asked in the survey. The lack of direct contact potentially also contributed to the response rates being lower than it likely would have been in comparison to, for example, a group-distributed questionnaire. Online surveys are also generally not the best instruments to ask detailed questions of respondents and it is not possible to immediately judge the quality of the responses (see Warren 2002).

## 4.3 Methodological principles

This section highlights the three methodological principles by which I abide in my methodological approach. First, I detail my approach to reasoning and theorising by adopting an iterative style which oscillates between induction, deduction, and abduction. Second, I highlight my triangulation of empirical findings from the four methods to increase the rigour of my findings. Finally, I outline my approach concerning the validity and reliability of my methodology.

### 4.3.1 Induction, deduction, and abduction

The first issue that is important to specify concerning the analysis of my empirical findings is my approach towards logic, reasoning, and inference. In accordance with Reichert (2004), this project relies on a mixture of induction, deduction, and abduction to come to conclusions:

*“the only truly knowledge-extending means of inferencing (so he claimed) that would be categorically distinct from the normal types of logical conclusion, namely deduction and induction” [on Charles Peirce] (p. 159).*

The inductive approach is a process by which empirical observations and findings are consulted and analysed to generate new theory (see Eisenhardt and Graebner 2007). Indeed, Fletcher (2017) suggests that the inductive (grounded) approach allows for the emergence of new codes and themes which can, through abstraction, lead to the development of higher-level theories. In stark contrast, the deductive approach uses existing theories to form hypotheses about the (social) world and empirical data is collected which can be used to test the accuracy of those hypotheses (Merton 1967, p. 39; Bitektine 2008). The empirical data can then either confirm or reject the existing theoretical frameworks, which can potentially result in the revision of theory. Deductive logic tends to be in line with most contemporary IR research (Whitfield and Strauss 2000), which often takes a pragmatic approach by embedding or at least cross-referencing any emerging empirical findings with existing theories (Cappelli 1985).

Can these two opposing approaches of reasoning and inference be married? Although both inductive and deductive research are often described through clear logical – albeit opposing – sequences; in reality, Fereday and Muir-Cochrane (2006) show that most research has both inductive *and* deductive elements. In other words, most research can be described as an iterative process, whereby there is a weaving back and forth between existing theory and new empirical data (Pathirage and Amaratunga 2008). That is why Bryman and Bell conclude that “[d]eductive and inductive strategies are better thought of as tendencies rather than as a hard-and-fast distinction” (2015, p. 25).

Further, the term 'abduction' has become increasingly popular to describe an alternative way of overcoming the weaknesses of both inductive (i.e. whereby no amount of empirical data will necessarily result in theory-building) and deductive (i.e. whereby it is not always clear which theory should be tested before the data collection) (see Dubois and Gadde 2002; Kelle and Kluge 1999). Instead, the American philosopher Charles Peirce (1957) explained that abduction starts with a puzzle which existing theory cannot account for. Through the back and forth between empirical data and theory – he calls 'dialectical shuttling' – a best explanation can be found to solve the puzzle and allow for new surprising findings to emerge without imposing existing understandings on the research (see Atkinson et al. 2003; Bryman and Bell 2015). The abductive approach harmonises well with the IR tradition, which seeks to find a middle ground between data-driven, inductive empiricist research and theory-driven, deductive analytical research.

During this research project, I embraced this iterative or abductive process of dialectical shuttling, to develop a new theoretical argument, whilst nonetheless building on existing research, frameworks, and ideas. This meant, for instance, that while some inductive codes and themes emerged during the interview process, other codes and themes had already been established deductively in the literature. For example, existing research and theories helped me to develop a list of provisional codes through which to analyse my data, such as the overarching categories of 'structure' and 'agency'. On the other hand, additional themes arose from the bottom-up during data collection process and were only subsequently searched for and embedded in existing literature. For instance, the concept of 'framing' arose inductively during interviews. It was only during the process of data gathering and analysis that I encountered a theoretical literature on framing within the academic field of social movements (including e.g.: Tarrow 1994; Benford and Snow 2000) which helped provide a framework for the empirical findings that had emerged during the data collection process.

It is important to note however, that all explanations of social reality should be treated as potentially fallible, especially when there are competing explanations of a phenomenon (see Sayer 1992; Martela 2015). Nonetheless, as a social scientist I

operate on the assumption that some explanations are more accurate than others, and thus, that the scrupulous collection and investigation of empirical evidence is a useful process to both test and generate (new) theory (Thomas 2010; Yanow 2012).

#### 4.3.2 Triangulation of multiple methods

*“Triangulation can, under certain assumptions, be argued to unite research contributions in such a way as to transcend the use of specific methods in a disciplinary sense” (Downward and Mearman 2006, p. 78).*

Methodological triangulation is a common approach in the social sciences to cross-check the empirical data that emerges from the usage of different – often both qualitative and quantitative – methods with one another when studying a phenomenon (Morse 1991). The logic is that this increases the reliability and validity of the findings, and thus, the confidence that researchers can have in their results (Rothbauer 2008). Moreover, methodological triangulation offers the researcher the opportunity to overcome the potential intrinsic biases and weaknesses that are associated with a single method (Bodgan and Biklen 2006).

For instance, after interviewing several respondents from both BITC and Stonewall and reading through many of their online available documents, my preliminary findings suggested that awards played a much greater role in BITC than in Stonewall. This inclination was later confirmed numerically, when 16% of my Stonewall member survey respondents and 71% of BITC members, replied that they had participated in an award scheme during the past three years. Follow-up interviews then helped to clarify how in Stonewall, the main tool of competition between members is the benchmark ‘WEI’, while in BITC it is the ‘Responsible Business Awards’. This example illustrates how my application of various methods and the triangulation of findings helped to inform the usage of the other methods and thus, to improve the rigour of my data.

### 4.3.3 Objectivity, system, and generality

Holsti (1969) emphasises that in social science research it is essential to abide by the three requirements of 'objectivity', 'system' and 'generality', which I aimed to follow in this research. 'Objectivity' specifies that analysts must abide by certain rules, such as coding, to minimise – if never eliminate – researchers' subjective opinions in favour of the texts' objective messages. 'System' or 'being systematic' means that the coding categories must be created according to consistently applied guidelines and should admit all of the evidence, including that which may contradict investigators' hypotheses. Finally, 'generality' suggests that information increases in importance when put in comparison to other information, such as other attributes of documents, interviews, or surveys under analysis (Holsti 1969, p. 3-5). By abiding by Holsti's three guidelines, I contend that my multi-method approach allowed for a useful investigation of BITC and Stonewall, as well as allowing inferences to be drawn surrounding the latent and relational content from documents, interviews, events and surveys (Hsieh and Shannon 2005, p. 1277).

## 4.4 From data to findings

Based on my described methodological approach and research design, my aim for this study is to apply abductive reasoning and inference to my collected data to then eventually, arrive at my research conclusions. In the following four chapters, I present my analysis of these data in a systemic way to illustrate the depth and richness of my findings from my specific case study organisations. In the subsequent three chapters, I sequentially lay out my findings surrounding each of my three independent variables, namely framing, interaction and governance. In the fourth findings chapter, I then present two examples of workplaces which engaged closely with BITC and Stonewall respectively. Although these chapters are solely concerned with my empirical findings, in reality, I embraced an iterative process and dialectical shuttling between existing theories, ideas and concepts, and my empirical findings to then arrive at my new theoretical framework and argument.

## CHAPTER FIVE: Framing

*"I think that if you want to get someone to do something, you can do either the 'tug on the heart strings' bit, or you can do the 'pull on the wallet' bit (...) and, they'll work to a greater or lesser extent" (Interview 54, communications and event manager, BITC, 17.1.2018).*

The purpose of this chapter is to present my empirical findings pertaining to my first independent variable: framing. The varied strategies of framing by both BITC and Stonewall are explored, as well as how this impacted on their member firms' labour standards. This first analytical concept encapsulates the type of language and discourse that my case study organisations BITC and Stonewall use to describe PVR, as well as the underlying types of rationale they employ when trying to motivate employers to affiliate with them and engage in PVR. The framing variable is ideational in the sense that it may alter the way in which employers or businesses perceive their relationship with their employees, customers and even society at large. Framing may also impact the process through which PVR plays out in member businesses of BITC and Stonewall, as well as its effect on labour standards.

There are two dominant ways BITC and Stonewall chose to frame PVR: first, the 'business-case frame' – or in other words, the notion that 'PVR is profitable for businesses'; and second, the 'ethical frame' – or the belief that 'PVR is the right thing to do'. These two frames are consecutively substantiated and fleshed out using my empirical data along two dimensions. First, I unpack my findings surrounding the functionality of each respective frame. Here, I explain why BITC and Stonewall chose to use these frames and how this influenced employers' choice to engage with PVR. This describes the 'positive scores' of either frame. Second, I empirically substantiate some of the challenges associated with the corresponding business-case and ethical frames to effectively raise labours standards. This enables me to substantiate the 'negative scores' of both frames. In the concluding section, I address two significant questions which lie at the intersection between the frames; namely: 'How do BITC and



Stonewall tailor their framing arguments; and, how do business-case and ethical framing interact with one another?’

## 5.1 Business-case framing

*“My conviction is that ‘responsible business’ is profitable. (...) I run my business this way because I think it is successful and profitable. I would not run my business to be unprofitable. (...) It works commercially, (...) in terms of recruitment and retention, it plays into output, and into brand” (Interview 74, senior partner, law firm, 12.3.2018).*

The first ubiquitous frame is the ‘business-case frame’. It encapsulates the notion that PVR is a ‘profitable thing to do’. This is an extremely prominent view among the representatives of BITC and Stonewall, and in their member firms. BITC tends to frame the topics of CSR and responsible business and Stonewall also often frames LGBT equality, as central to the profitability of their member firms:

*“We go out there and say: ‘Responsible business practice is really good for your bottom line. It’s achieving commercial success in ways that honour your values’” (Interview 2, former director, BITC, 16.7.2013).*

*“At Stonewall, we definitely use the business-case when engaging with employers” (Interview 87, campaigns, policy, and research manager, Stonewall, 11.1.2019)*

However, while business-case framing features prominently in my findings surrounding both case study membership organisations, BITC has a much more explicit focus on business-case framing than Stonewall. For instance, BITC’s website states:

*“[BITC] identifies the key issues businesses need to address to achieve long-term financial value, enabling both society and the planet to thrive” (BITC 2020, ‘Our focus on environment’ section).*

Stonewall’s emphasis, as we shall see in the following section, rather lies toward the ethical framing of LGBT equality and inclusion. Thus, while the usage of business-case framing from both case study organisations features in this section, my findings from BITC are in the foreground.

### 5.1.1 Business benefits: a financial incentive

*“It’s all about business benefits (...) we do not really do anything that doesn’t have a business benefit” (Interview 6, account manager, BITC, 5.8.2013).*

BITC wholeheartedly embraces the ideational narrative that PVR in general, and more specifically voluntarily implemented CSR is ‘profitable for business.’ For instance, a core concept related to the business-case frame that was used repeatedly by BITC interviewees are the so-called ‘WIIFMs’ – or the answers to the questions: ‘What’s In It For Me?’ or ‘What’s In It For My Business?’ The various responses to this lie at the heart of BITC and its associated business-case framing:

*“We sell the concept of it [CSR], but it’s intangible. (...) How does it work? So, it’s our job to make it tangible, to make real benefits, the WIIFMs – ‘What’s in it for the business?’” (Interview 7, community project worker, BTIC, 6.8.2013).*

BITC overwhelmingly entertains the logic that CSR activities help their member firms to improve their financial performance through a variety of pathways, and they ‘sell’ this idea and their associated programmes to employers. The business-case framing of PVR presents a discourse which many of my interviewees regarded as convenient for employer-managers as they are often under substantial amounts of pressure to ensure that their firms produce a profit for shareholders:

*“Rightly or wrongly, organisations’ priorities are fundamentally driven by their shareholders” (Interview 51, corporate advisor, BITC, 16.1.2018).*

For BITC, and at times also Stonewall, relying on this ideology of shareholder-driven profit-maximisation was regarded as an unthreatening, reassuring and relatively straightforward way of persuading them to become members and take voluntary action in the spheres of CSR and LGBT equality respectively. Fundamentally, instead of the threatening ‘stick’, BITC and Stonewall embrace the use of an encouraging financial ‘carrot’ to lure firms into changing their labour standards:

*“You do need the carrot. (...) It’s a kind of pragmatism” (Interview 25, strategic manager, EfC, 2.8.2016).*

Findings suggest that the strategy of framing PVR through a business-case lens is extremely successful in inducing firms to affiliate with collective organisations like BITC and Stonewall, since they inherently emphasise the profitability of firms:

*“What’s the business benefit? (...) If I explain to you the benefit for your business – that works” (Interview 26, senior manager, Inclusive Employers, 8.8.2016).*

One Stonewall representative emphasised that this focus on the business benefits and profitability was often viewed as essential, particularly in sectors dealing with austerity because funding is extremely limited:

*“Without an adequate business-case you would not get anything done because you might not get the resources to justify it” (Interview 91, programmes officer, Stonewall, 3.5.2019).*

Furthermore, the business-case was argued to be advantageous as it helps to focus PVR initiatives in a more organised and goal-oriented manner:

*“The business-case helps to focus what the focus of the process is, it highlights the different areas you can focus on and gives it more direction” (Interview 91, programmes officer, Stonewall, 3.5.2019).*

The attractiveness of the business-case framing thus often resulted in BITC – and occasionally also Stonewall – managing to form close, trusting relationships with employers, as PVR was perceived as particularly unthreatening to employers. In turn, many firms felt that this helped them to feel more comfortable in dealing with and approaching organisations, such as BITC or Stonewall, because they are non-legal institutions and their PVR measures are non-enforceable. Thus, employers felt less intimidated or resistant towards them:

*“That informal space that Stonewall provides is something that employers really like because it is not threatening to them. And that is what all of this is about” (Interview 34, head of policy and communications, governmental organisation, 16.10.2017).*

Using this narrative, BITC and Stonewall claimed that they managed to share their notions of best practice with employers through a variety of means, such as providing them with best practice guides and toolkits, setting-up training programmes or organising events. PVR in the context of CSR and LGBT equality are, according to

business-case framing, useful to achieve the business goals of productivity and profitability:

*“BITC defines a responsible business as one that puts creating healthy communities and a healthy environment at the centre of its strategy to achieve long-term financial value” (BITC 2020, ‘Responsible business management’ section).*

*“LGBT inclusion leads to improved talent attraction and retention, innovation, collaboration and brand strength (...) LGBT inclusion develops staff (...) and leads to higher levels of motivation and satisfaction, greater job commitment” (Stonewall 2016a, p. 1).*

Several of my interviewees contended that PVR helped the members of BITC and Stonewall to send out positive messages to numerous stakeholders, including: existing and potential future employees and customers, governmental organisations and charities, regulating bodies and employment tribunals, as well as external organisations with whom they already had contracts or were tendering with, and organisations with whom they might want to bid for procurement in the future:

*“During our meetings, they [firms] articulate what their priorities are, and our [BITC’s] challenge is then to go away and think about how ‘responsible business’ can help them, to support them, to satisfy their business-case. Whether it be staff retention, future recruitment, skills identification or whether it be driving down energy bills. (...) In that sense – it is driven by the business and their business priorities” (Interview 42, account manager, BITC, 15.11.2017).*

My findings suggest that there are four core pathways through which business-case framing manages to engage firms in PVR action and can lead to improvements in labour standards. These are: (1) becoming an employer of choice; (2) winning new or improved tenders; (3) improving the firm’s brand image; and (4) complying with the law. In the following subsections, I explore my findings concerning how these four pathways business-case framing function, and how they, in turn, significantly impact firms’ labour standards. However, it should be noted that several interviewees highlighted that the pathways are not necessarily strictly separate from one another but can reinforce each other:

*“We live by the model: we employ great people, who will attract great clients, who will give us great work which will in turn attract great*

*people. So, it is really a virtuous circle” (Interview 52, CSR manager, law firm, 16.1.2018).*

### Becoming an employer of choice

*“[We do this to] be an employer of choice; (...) having values that reflect something so that people want to work for them. Particularly the younger generation, who are coming through and taking a more forensic look at whether the companies they want to work for share the values that they have” (Interview 42, account manager, BITC, 15.11.2017).*

Respondents from both BITC and Stonewall explained that one way in which the business-case framing helped to attract new members was by showing that PVR helps to improve employee recruitment and retention, as well as engagement and productivity. This pathway was reportedly most salient for those firms who are highly dependent on recruiting and retaining the most talented and skilled workforce, such as IT and law firms (case studies 3, 4 and 5). PVR, as framed by the business-case, helps to attract a more diverse talent pool:

*“People do not want to work for employers whom they perceive as old-fashioned or intolerant. But also, having people in your organisation with this diverse range of perspectives will help you in making – you know, the classic business-case – better decisions, better product designs, access to markets that you otherwise would not understand” (Interview 36, research fellow, HE organisation, 26.10.2017).*

Many of the member firms confirmed that improvements in recruitment are a significant motivator for them to become members of BITC and Stonewall, as exemplified by the following quote from an interviewee from my case study 10:

*“We have had conversations with new LGBT staff here that have said that seeing the Stonewall logo on the job advert, made them go: ‘I can apply here’” (Interview 56, diversity and inclusion manager, governmental organisation, 25.1.2019).*

Similar comments were made by respondents with regards to employee retention, for example:

*“Employers such as [name of large company] actually measured the business-case and (...) could say: ‘We know it makes sense. We can show*

*you with retention figures that by engaging with this, we're keeping our good staff in a very competitive market'" (Interview 10, strategic manager, EfC, 2.3.2015).*

Moreover, in the context of Stonewall's focus on LGBT equality and inclusion in the workplace, interviewees observed that a particularly salient predictor of productivity is whether LGBT employees feel happy and free to disclose their sexual orientation or gender identity at work:

*"People perform better when they can be themselves (...) individual productivity is higher when people are 'out' at work" (Interview 16, programme manager, Stonewall, 6.7.2015).*

PVR can create benefits to businesses and employees that even reach beyond recruitment, retention, and productivity. Several interviewees also mentioned the benefits of PVR in terms of skills development and team building abilities, such as through community engagement programmes:

*"We've had people who have done volunteering work, but it's given them team-building skills, management skills. So, you have to look at it in terms of return on investment" (Interview 66, head of diversity, public organisation, 7.3.2018).*

BITC and Stonewall not only emphasised those business benefits associated with PVR which are advantageous for the employer-managers in their member firms, but also for their employees, who are in fact forcibly *demanding* some these 'voluntary' changes from their employers:

*"Our people and new recruits are looking to see what we are doing in that sphere. (...) [We have] to satisfy the aspirations of our people. And our people want to join an organisation with purpose and meaning. That component – I think – will only increase" (Interview 63, senior partner, law firm, 6.3.2018).*

My qualitative findings are also underpinned by quantitative survey findings. Out of the member respondents 67% from BITC and 91% from Stonewall reported that the recruitment and retention of employees had either a 'great' or 'moderate importance' in their firm's decision to join BITC.

## Winning tenders

*“In our tendering or pitches we tend to get asked if we are part of BITC or Stonewall or the BDF. Not all of our work comes through tendering, but quite a lot. And our memberships help us to be able to tick that box” (Interview 52, CSR manager, law firm, 16.1.2018).*

The second core pathway through which BITC and Stonewall utilised business-case framing to successfully induce firms to engage in PVR concerns the winning of new or better work contracts. In my survey, exactly half of my BITC member respondents indicated that winning tenders was either of ‘great’ or ‘moderate importance’ in their firm’s choice to affiliate with BITC, whereas for Stonewall members the number was 67%. Especially governmental organisations and (large) private businesses use tendering and procurement to offer work to mostly smaller companies, and who must then demonstrate commitment to issues such as CSR and/or to LGBT inclusion. For instance, one BITC representative explained:

*“A lot of smaller companies that get engaged with us, ask us precisely these questions: (...) ‘Company X keeps on getting these contracts. And they are not cheaper than us, they are not better than us. So, why are they getting the contracts and we are not?’ [And I tell them:] ‘Because they are ticking the right boxes’” (Interview 51, corporate advisor, BITC, 16.1.2018).*

Especially smaller firms are often dependent securing work through tendering or procurement. In this way, BITC and Stonewall’s business-case framing of PVR can create a strong incentive for those firms to join them because it can improve their chances of being successful in securing these work contracts:

*“It becomes a competitive component. And I know people who have said: ‘Because of the work that we’ve done with you, we’ve won more work’” (Interview 40, previous director, BITC, 8.11.2017).*

Additionally, my qualitative findings indicate that the pressure to use PVR to win contracts is growing, which could lead to supply chains with a greater focus on CSR and EDI. The notion that suppliers convey a direct representative image onto companies they contract for could result in the raising of labour standards beyond those businesses themselves and onto their suppliers:

*“A lot of our clients ask us what we do in the community. They want to work with a law firm that does ‘good’ in the community. Our suppliers also have to abide by a suppliers’ charter. We ask them to pay the Living Wage” (Interview 52, CSR manager, law firm, 16.1.2018).*

As a result of this, some respondents contended that the integration of supply chains could lead to virtuous circles and the reproduction of a ‘responsible business ideology’, thereby improving labour standards that are transferred throughout the supply chain. One interviewee exemplified:

*“Before Christmas we get people to donate toys under the Christmas tree and we also do food banks. And then we get a courier to send it out to the various organisations. And when the courier found out that we were donating. They said that – because it is for charity –it is for free. And they did not even do it for the publicity, they just did it because they thought it was a nice thing to do. And that really shows the virtuous circle” (Interview 52, CSR manager, law firm, 16.1.2018).*

### Improving brand image

*“[We are a member of BITC because] it is a way of demonstrating that we are looking to make a positive impact on some of the social and environmental challenges we have in Wales. It’s just an easy way of sharing that” (Interview 40, director, consulting firm, 8.11.2017).*

A third crucial business-case pathway that was emphasised time and again by interviewees is the effect of PVR on firms’ brand image. BITC and Stonewall actively encouraged large employers with visible brands to use PVR to communicate externally their values and generate a positive brand image for their customers and consumers:

*“Most organisations join BITC (...) for that external messaging” (Interview 40, director, consulting firm, 8.11.2017).*

In particular, the badges that businesses can gather by engaging with organisations like BITC and Stonewall can instantaneously have a positive impact on their brand image:

*“In the last twelve months we’ve got the Chwarae Teg badge, the BITC badge for BAME, the BITC badge for disability, the Disability Confidence standard for DWP, we are a Disability Leader, we got a top 15 in Stonewall, we’ve done gender surveys – these are quite a few nice little*



*logos that look really compelling” (Interview 89, director of HR, public organisation, 22.2.2019).*

Again, the importance of PVR as framed through the business-case lens is important for firms was confirmed by the survey data, as 100% of the BITC member respondents said that marketing and branding had a ‘great’ or ‘moderate importance’ in deciding to affiliate with BITC. For Stonewall members, the numbers were slightly lower, as 83% of respondents indicated that the branding had at least a ‘moderate importance’. Both customers and employees are putting pressure on firms to behave responsibly:

*“The newer generations (...) care about the values of a company that they will work for, [they] will rank values over salary in choosing where they will work. And the same goes for them as consumers where they want to buy from” (Interview 41, director, BITC, 15.11.2018).*

Moreover, several respondents explained that the pressures on the brand image had increased considerably in recent years, especially since the financial crisis of 2007/8:

*“Since the time of the financial crash, there has been a change around the perception of business and the relationship of business with society and individuals. And businesses are now more woke to the fact that this stuff really matters” (Interview 54, events and communication manager, BITC, 17.1.2018).*

BITC and Stonewall representatives said that PVR-driven changes to labour standards have become mainstream through the associated business-case benefits and incentives:

*“Ten years ago, people thought of CSR as: ‘What community things are you volunteering in?’ (...) [CSR has] shifted from the: ‘Nice to have’ (...) to: ‘Being a driver of how you might grow into a responsible business.’ (...) [It] became less of something on the outskirts to something that anyone who is not doing it is losing the obvious benefits. There is a drive from consumers, a driver from employees and a driver from shareholders. It’s become a mainstream activity” (Interview 40, previous director, BITC, 8.11.2019).*

The growing importance of brand image as a function of PVR was not only mentioned in the context of CSR, however; the same point was made with regards to LGBT equality, as the director of Stonewall pointed out:

*“The whole concept that people would think: ‘Putting-up an LGBT rainbow flag for their branding.’ The very thought of that – probably even ten years ago – would probably been unthinkable. So, actually, we are winning on a certain level, (...) people do want to use it as a branding exercise” (Interview 39, director, Stonewall, 7.11.2017).*

As a final remark, several interviewees explained that brand image arguments might play out in different ways for different organisations. For instance, respondents from governmental organisations explained that customers were obviously not a concern for them in terms of brand image, however the leadership aspect could play a significant role:

*“As a government body (...) there is a leadership expectation from us (...). There is an expectation that we will support other organisations, especially public-sector organisations in Wales that are interested in this and want to improve. We are expected to go out and share our experiences and best practices. So, we will go out and talk to different organisations, from small charities to big UK wide organisations” (Interview 46, education and skills manager, governmental organisation, 20.12.2017).*

### Complying with the law

*“From a business perspective – you would want to make sure that you are complying with the law, such as the PSED” (Interview 89, director of HR, public organisation, 22.2.2019).*

*“It’s about presenting LGBT equality and the other strands of equality as not threatening. Because what happened when the law first came in was there was an instinct of: ‘This could be really bad for us if we get it wrong’” (Interview 34, head of policy and communications, governmental organisation, 16.10.2017).*

The final pathway through which BITC and Stonewall use business-case framing to encourage firms to join them, is by helping firms to comply with (labour) laws. This pathway is most pertinent to public sector firms, who are subject to more legal

scrutiny through mechanisms like the PSED. Thus, many BITC and Stonewall representatives highlighted the importance of their PVR measures being embedded in existing legal regulation. In fact, when examining CSR, as well as diversity and equality policies in many of my member firms case studies, several of them made direct references to existing laws. For instance, the 'Equality and Diversity Policy' from the HR organisation (case study 7) begins with a section that grounds the policy in existing legislation, called 'legislative background' and builds on the UK's Equality Act 2010. In particular, the PSED was repeatedly argued to play a significant role in motivating public sector organisations to demonstrate that they were committed to ensuring their workplace practices and policies were inclusive:

*"The requirement of the PSED to implement that, or to be seen to be implemented was key. We had to demonstrate that we had a plan and it is audited by government regularly. (...) This is the law" (Interview 45, former pro-vice chancellor, HE organisation, 14.12.2017).*

Thus, becoming a member of BITC or Stonewall, as well as participating in their various PVR activities, interviewees argued, was a quick way for employers to demonstrate their commitment:

*"The badge [from Stonewall] is an extremely quick and easy way of demonstrating that we are meeting the PSED, our legal obligations. If we succeed, it means that we are doing well" (Interview 89, director of HR, public organisation, 22.2.2019).*

In contrast, some employers have had negative experiences with regulators, the law, or employment tribunals and therefore wished to use the PVR practices of BITC or Stonewall to avoid any further conflict:

*"We have a client, an employee who might not have a great experience there – that can happen. And for us the challenge is then to than take this negative incident and turn it into a positive, turn it into a learning experience" (Interview 31, programme manager, Stonewall, 15.8.2017).*

By using PVR, BITC and Stonewall might therefore help a firm turn a 'bad' or 'negative' experience into something positive by for instance, adapting their existing policies or practices:

*"Another reason why people might feel the need to contact Stonewall would be on the back of a negative experience. Or the realisation of a*

*need from the workplace to face that issue and be more preventative for the future” (Interview 68, campaigns, policy, and research manager, Stonewall, 8.3.2018).*

Precisely 50% of my BITC member survey respondents and 92% of Stonewall member survey respondents reported that ‘complying with the law’ was either of ‘moderate’ or ‘great importance’ in their decisions to engage with BITC and Stonewall respectively. Similarly, half of the BITC member respondents and three quarters of Stonewall members reported that the reduction of potential legal prosecution, such as grievances or harassment cases would diminish through their membership.

### **5.1.2 Business benefits: a shallow pretence**

*“[BITC is] more concerned with appearing to do the right thing than actually doing it. One of my concerns of joining BITC, was that we were paying fee simply to have a label as a member of BITC” (Interview 62, head of communications, law firm, 6.3.2018).*

This quote points to a central challenge which arose frequently in the context of the business-case framing of PVR, namely: When firms engage in PVR to maximise profits, how profound are changes to labour standards? My findings suggest that PVR as framed by the business-case does not always result in positive outcomes for firms’ labour standards. Instead, PVR as framed by the business-case can in fact result in a ‘negative score’. Essentially, BITC and Stonewall’s business-case framing incentivises some companies to be solely concerned with the shallow pretence of being *seen* to be doing the ‘right’ things, rather than *actually* doing them. This danger of business-case framed PVR is most pertinent in large, customer-facing brands who may choose to ‘whitewash’ their business actions. This section unpacks my findings surrounding the two major risks associated with business-case framing. First, is that the resulting changes to labour standards from business-case incentives could potentially be superficial; and second, the profiling of best practice could be used as a distraction from other malpractices.

### A badge to look good

*“The whole act of creating badges, memberships, and tags can become quite a destructive force. (...) Alone by the nature of putting a badge out there (...) [and] becoming members because – it’s a badge” (Interview 73, HR director, law firm, 4.5.2018).*

*“Our clients know the business-case and it is good to be seen to be part of that. (...) It just looks good” (Interview 52, CSR manager, law firm, 16.1.2018).*

In several interviews, it was suggested that if the objective of PVR is merely the business-case and thus, the aim to gain financial competitive advantage by joining an organisation like BITC or Stonewall, then that can motivate businesses to participate in PVR simply to ‘look good’, without making effective changes to their labour standards. Incentivising businesses to act based on business-case framing could therefore potentially lead to tokenistic or short-lived changes in workplaces, as one Stonewall representative noted:

*“If it’s just the business-case – once the numbers are up, or even once the numbers do not go up as quickly as they think they will, or the business priorities change, or there is a budget cut – it’s the first thing to go. Whereas when it’s the moral-case, they will hold on as long as they can or even if they have to go because of funds, they’ll find a way to continue on the good work without being a member” (Interview 91, programmes officer, Stonewall, 3.5.2019).*

My findings suggest that some members of BITC and Stonewall may thus tend to make comparatively weak adjustments to their workplace practices and policies. This is because the normative values which supposedly underlie the PVR initiatives could be forgotten in favour of ‘chasing money’, and PVR remains superficial and ineffective:

*“There is a risk by just focusing on the business-side of things, it dehumanises what we are trying to do by trying to sell it. (...) Then you are not doing it because you believe in it or because it is your values, but because you are chasing money” (Interview 89, director of HR, public organisation, 22.2.2019).*

More specifically, interviewees suggested that when firms made changes to labour standards based on business-case motivations as formulated by BITC and

Stonewall, then these were at times short-term, superficial, and concerned with *appearing* to do ‘good things’, rather than actually *doing* them:

*“There are some examples of employers that have said to us: ‘Well it’s really that we need to be seen to be doing this’” (Interview 25, strategic manager, EfC, 2.8.2016).*

Some representatives of BITC were not only aware of this, but explicitly encouraged it. In fact, one of the first exercises that BITC tends to undertake with new members is to ensure that they are profiling firm’s existing CSR programmes:

*“The first thing we would do with you [a prospective member firm] would be to write-up an action plan, where we aim to capture all the good stuff that you are already doing” (Interview 42, account manager, BITC, 15.11.2017).*

This was confirmed by a representative of my case study 5, a law firm, who explained that when they joined BITC, they first “gather[ed] together all the CSR things that we have been doing over the years” (Interview 52, CSR manager, law firm, 16.1.2018). Thus, my findings indicate that the way in which BITC (and at times also Stonewall) portrays PVR might overstate, overstretch, and exaggerate the extent to which it improves workplace practices. For instance, motivating companies to instigate change by tapping into their desire to enhance their brand image could result in more time and effort being spent on self-promotion, rather than on making changes to labour standards. Similarly, the legal side of the business-case framing also led some firms to merely chase badges to look good:

*“If you tell people to do something because it’s the law, then there is a danger of you losing the moral argument” (Interview 89, director of HR, public organisation, 22.2.2019).*

Moreover, PVR as framed through the business-case was found to not only be ‘profitable’ from the perspective of private firms, but also for BITC itself, as it may use the business-case to recruit its members, promote its own brand, and in turn help to secure its financial sustainability:

*“We are predominantly privately funded (...) and we are business-led (...) and work where and how the businesses want it to be done” (Interview 32, director, BITC, 17.8.2018).*

According to several interviewees, the strong brand image of BITC helped add more legitimacy and credibility to their own PVR efforts (e.g. case study 2: Interview 59, CSR manager, building society, 2.2.2018):

*"It's something we encourage our members to do. To use the badge with pride. To help us further our brand and the movement and recruit other members" (Interview 41, director, BITC, 15.11.2018).*

In this way, the strong brand image created by BITC could be used as a badge for member businesses to showcase their engagement, as one interviewee exemplified:

*"[We] can use the responsible business week to become known as a leader in the field of CSR and to showcase the work it does on a regular basis" (Interview 58, CSR manager, professional services company, 30.1.2018).*

### A smokescreen for malpractice

*"If you are making your money in an unacceptable manner and then trying to greenwash that (...) behaviour and values that should run through individuals and businesses. And they should shine through the context of business" (Interview 61, head of CSR, investment firm, 15.2.2018).*

Another – potentially even more worrying – criticism that my respondents formulated against the business-case framing of PVR by BITC or Stonewall is that some firms might use PVR to distract from unethical practices that they could be engaged in. An example of this became apparent at a conference that was co-hosted by BITC and the Bevan Foundation on the topic of fair work. BITC was showcasing and celebrating the alleged 'good' recruitment practices of a large multinational company and BITC member, when someone from the audience voiced a criticism:

*"I really do not think that we should be celebrating the successes and apparently 'good practices' of a company that is currently being trialled in European courts for tax evasion" (audience member, participant observation transcript, event: 'Fair work: a route out of poverty?', 3.12.2018).*

This reproach threw-up a moral question, namely whether it is appropriate to profile a company that might be doing some 'good things' in one area whilst potentially being guilty of malpractices in another area. The BITC representative's answer to this critique was:

*"We at BITC think that it is more important for us to focus on and celebrate the good things these firms are doing. That doesn't mean that they are getting everything right! But, if we celebrate and profile the good things that they are doing, then this will help change practices over time" (BITC representative, participant observation transcript, event: 'Fair work: a route out of poverty?' 3.12.2018).*

A potential weakness within this line of argumentation is that BITC might be unintentionally providing companies with a façade – or smokescreen – behind which they can hide malpractices or mask unethical labour standards, by aiming to focus the attention of stakeholders, including customers and the media, on the 'good things' they do. Some of my respondents confirmed this danger and suggested that BITC and Stonewall could at times be using the business-case to frame PVR and inadvertently incentivise inauthenticity:

*"At times, organisations will be driven by their desire to demonstrate their virtue. I think we should differentiate those that do it for that reason but are not authentic in their behaviour and those that are authentic and demonstrate what they are really doing on the ground" (Interview 61, head of CSR, investment firm, 15.2.2018).*

## 5.2 Ethical framing

*"It is the right thing to do. (...) It's just in line in with our values" (Interview 53, apprenticeship assistant manager, professional services company, 17.1.2018)*

*"We do this because we all believe it, and just think it's the right thing to do" (Interview 71, head of legal services, governmental organisation, 12.4.2018).*

The second way in which BITC and Stonewall frame PVR is the motivational argument that joining their membership base and engaging in PVR activities is plainly: 'the right thing to do'. Ethical framing describes PVR simply as the decent, moral, and



virtuous thing for organisations and individuals to do. Moreover, PVR tends to be in line with many, if not most, contemporary firms' ethically oriented organisational values, vision, and mission statements.

My qualitative and quantitative findings indicate that both BITC and Stonewall draw heavily on ethical framing in their discourse with businesses when attempting to induce employers to affiliate and thus, to shape and influence the interaction between business, society and the environment. Comparatively, however, Stonewall relied much more intensely on ethical arguments than BITC:

*"For Stonewall, although there is obviously money in it, the objective is achieving a culture change and make the world a better place" (Interview 91, programmes officer, Stonewall, 3.5.2019).*

This was suggestively confirmed by my survey data whereby for 67% of my BITC member firm respondents, but for 92% of Stonewall member respondents, there was a 'great importance' in their choice to get involved with either organisation simply 'because it is the right thing to do'. Additionally, while 71% of BITC respondents said that 'championing positive change' was a major motivator for them to join, 100% of the Stonewall member respondents said this was of 'great importance'. This was also supported by my qualitative findings as one interviewee argued:

*"To me, at Stonewall, I feel like the argument is that: 'This is the right thing to do, and why would not you do it? The moral argument really comes through" (Interview 89, director of HR, public organisation, 22.2.2019).*

### **5.2.1 Ethical integrity: a moral motivation**

*"The moral case challenges people more than then the business-case" (Interview 91, programmes officer, Stonewall, 3.5.2019).*

*"Our starting point was to maintain a degree of discretion in terms of not shouting about what we are doing, so that what we are doing is not driven by the wrong motivations" (Interview 61, head of CSR, investment firm, 15.2.2018).*

Many of my interviewees claimed that the moral features of framing PVR are essential to successfully shape and influence labour standards. Particularly my

Stonewall interviewees emphasised that ethics are ubiquitous within their discourse and interactions with member firms:

*"It is more effective to change people's attitudes. (...) For me, the ethical case is really the reason why this work is happening. If one were to take that out of it, this thing would crumble" (Interview 87, campaigns, policy and research manager, Stonewall, 11.1.2019).*

BITC and their members also frequently mentioned that ethical framing was essential in the context of CSR and responsible business:

*"I think doing the right thing should be in everything we do. Gone are the days where you can do some few CSR things as add-ons on your own. It needs to be in everything we do" (Interview 59, CSR manager, building society, 2.2.2018).*

In comparison to the business-case framing's narrow focus on profitability, my empirical data shows that ethical framing supposes a wider responsibility for businesses. It is aligned to the broader ideological perspective of the so-called 'triple bottom line' which contends that in addition to producing a profit, businesses carry an inherent responsibility to positively impact the environment and society. For instance, BITC's website reads:

*"We believe the prosperity of business and society is inextricably linked. If every individual business strives to be the best it can be in all areas as a responsible business, there will be a positive multiplier effect that will benefit society, the economy and the environment" (BITC 2020, 'The responsible business map' section).*

This ethical ideology conceivably also goes beyond what the law expects businesses to do or their other regulatory requirements:

*"This is not just about money and it's not about meeting the regulatory or statutory requirements. We want to go above and beyond that and have a positive impact on society. Through these awards we can showcase what we've done and hopefully inspire others to do the same" (BITC member firm representative, participant observation transcript, BITC event, Bristol, 5.12.2017).*

It should be noted however, that while the ethical, triple-bottom line ideology can be presented in stark opposition to the business-case framing's narrative of profitability, these perspectives are not necessarily polar-opposites (see section

5.3.2). Nonetheless, ethical framing tends to invoke an ideational shift away from the profit-maximising ideology of the ‘Friedman doctrine’ in favour of individuals’ core moral values, as well as firm’s organisational culture that are rooted in the attempt to address deeper societal issues:

*“We are facing some huge social, environmental and economic challenges that need to be addressed. (...) I think businesses need to step-up and do their part to change society” (Interview 52, CSR manager, law firm, 16.1.2018).*

Many respondents felt that Stonewall’s (and also at times BITC’s) usage of ethical framing, tends to lead to greater improvements in labour standards than when they rely on business-case framing:

*“Change only really comes when the values are there, and they really mean something. Then they translate to what happens on the ground” (Interview 40, previous director, BTIC, 8.11.2017).*

My findings show that change through ethical framing can be brought forth through three main pathways which are highlighted in the following.

### **A moral obligation**

*“It just makes us feel very proud and positive about ourselves and the company” (Interview 60, managing director, IT firm, 9.2.2018).*

The first and most frequently mentioned pathway through which the ethical framing of PVR through BITC and Stonewall could effectively result in positive changes to labour standards, is by simply helping individuals to feel good about themselves and their firm:

*“There is a business benefit there. But there is also a human being benefit there (...) To me, that is the biggest driver, to ensure people can come to work and be who they are” (Interview 37, HR manager, HE organisation, 30.10.2017).*

Several of my respondents displayed surprisingly high levels of compassion and empathy towards groups of individuals, particularly LGBT staff – despite often not sharing this characteristic with them. These issues were emphasised in the diversity training sessions from both BITC and Stonewall, as well as in Stonewall’s reverse

mentoring programmes, where employees could give feedback to their managers as was the case in case study 10 (Interview 47, director, governmental organisation, 20.12.2017). My findings did indicate however, that this sense of moral obligation was particularly pertinent in individuals, who already felt a strong sense of compassion and were deeply committed to ethical behaviour, even if this was further encouraged by the ethical framing of PVR. In addition, morally and ethically driven changes to labour standards through PVR were also often equated with a sense of pride and satisfaction with regards to their firm:

*“This is a firm with a heart, (...) [where] people [are] feeling proud of the place that they work. That is hugely valuable” (Interview 62, head of communications, law firm, 6.3.2018).*

In fact, 83% of my Stonewall and 100% of my BITC member firm survey respondents confirmed that their firms’ mission statement had a ‘great importance’ in them getting involved with Stonewall and BITC respectively. BITC and Stonewall’s underscoring of PVR through an ethical purpose helps people to feel good about themselves, their company and the ethical policies and practices within their business:

*“People are proud, I think, of what we’ve achieved. (...) People are sharing it on social media. On their own personal accounts. People are genuinely proud of where they work” (Interview 65, diversity manager, public organisation, 7.3.2018).*

Interviewees also suggested that the pride resulting from ethically framed PVR could potentially help to create an organisational culture of unity, community, and moral values:

*“We are a law firm, and our purpose is to provide good-quality legal advice. We are nonetheless a ‘values-driven’ company. Our values are everywhere, and people know them, we mention them in review. We have a very strong culture” (Interview 52, CSR manager, law firm, 16.1.2018).*

### A gentle challenge

*“We do see our role as providing a challenge function to them as well. So, we just do not do what’s cosy or easy for them” (Interview 32, director, BITC, 17.8.2018).*

When it came to ‘challenging member employers’, my survey findings indicate that Stonewall was more active than BITC, as 83% of Stonewall members but only 57% of BITC members described the respective membership organisation as ‘a friend that challenges us’. By standing on an ethical ground – rather than merely emphasising business benefits – Stonewall and at times also BITC indicated that they could challenge their members, although not through threat or coercion, but in a ‘gentle’, constructive manner with the aim of nudging employers towards raising their labour standards voluntarily:

*“Stonewall is not the police for equality. (...) The response to this has to be a constructive one. (...) That space, to make mistakes, that space to learn is important and Stonewall provides that” (Interview 34, head of policy and communications, governmental organisation, 16.10.2017).*

Instead of being (too) confrontational, Stonewall respondents emphasised that they aimed to gently challenge employers and that even when problems arose, they tend to take an extremely soft, encouraging, helpful approach with firms:

*“It is not about going into organisations and telling organisations all the things they might be doing wrong. It is about going in and providing tailored support. (...) It is much more about advising them and giving them tips on how to improve their performance. We can’t force them to do the work (...) it is about working with them” (Interview 57, programmes manager, Stonewall, 29.1.2018).*

*“Another way in which Stonewall has been really effective, has been to – in those organisations, that are well-meaning but misplaced, in the kind of ways they have gone about things – they are not immediately criticised by Stonewall or go: ‘You clearly need to do this better.’ Instead Stonewall will say something like: ‘Right, well, the will is there. How do we make sure that you are engaging with LGBT staff to make it actually appropriate?’” (Interview 34, head of policy and communications, governmental organisation, 16.10.2017).*

Through this approach, Stonewall can nonetheless ensure that this is a learning experience for the organisation:

*“If an organisation is found to be discriminatory against a member of staff, Stonewall will say that it’s wrong and challenge them on it (...) In the vast majority of cases it would try to turn it into a learning experience*

*as opposed to being openly critical” (Interview 34, head of policy and communications, governmental organisation, 16.10.2017).*

This does not mean however, that Stonewall would never take strong action in face of a firm which was behaving immorally from their perspective. There were some indicative examples where Stonewall had for instance refused to work with a specific firm:

*“We would also want to ensure that it was not simply a badge on an advert. In fact, we have walked away from clients – from potential clients, who clearly all they wanted was to have a badge to say they are LGBT friendly” (Interview 39, director, Stonewall, 7.11.2017).*

Apart from these exceptions, however, Stonewall (and BITC) interviewees highlighted that their focus on changing the labour standards in their member firms was through constructive dialogue, advice, and consultancy. In fact, 57% of BITC member and 100% of my Stonewall member survey respondents said that the advice and consultancy they received was something which their organisation had made active use of in the past three years. Moreover, 71 % of BITC members and 83% of Stonewall members described their respective membership organisations as ‘a friend that encourages us’. Interviewees also highlighted the importance of Stonewall’s informal relationship and the building of trust with employers and how they could therefore approach them and make suggestions on how to best address difficult situations:

*“People feel like they can say what they want to say. It’s confidential, it’s safe for them to say what they really feel” (Interview 65, diversity manager, public organisation, 7.3.2018).*

Some BITC and Stonewall respondents said that many of their member firms therefore also felt comfortable to – in a confidential setting – share their struggles and shortcomings with them as membership organisations. The primary way in which these exchanges take place is through account management and action-plan meetings:

*“They generally meet once a month, and what the mentor will do, they’ll give them a list of things to look at or to do, almost like homework for the next month, and when they see them they will say how did you get*

*on with such and such” (Interview 1, community project worker, BITC, 16.7.2013).*

Many of my respondents claimed that the ‘gentle challenges’ from BITC and Stonewall were helping them to make a deep-rooted, moral commitment to PVR:

*“These commitments are used as a code. (...) And how do they live those values or how do they live up to those commitments? We challenge them. So, every year we go in and ask them, ‘Well what have you done to meet those commitments that you’ve signed up to and which now I guess, you know, how do you engage with your people?’” (Interview 14, director, BITC, 1.6.2015).*

### **An ideational shift**

*“Disabled rights have already come such a long way. There is no need for me to write an email to the office saying that we are increasing the size of the door on the 3<sup>rd</sup> floor because people in wheelchairs can’t get through. No one will complain about that. Stonewall however – there is still a lot of misunderstanding, miscommunication, anger, and confusion with regards to LGBT – especially with transgender. So, the moral argument is still really important to have, in order to win hearts and minds” (Interview 89, director of HR, public organisation, 22.2.2019).*

The final pathway through which BITC and Stonewall’s ethical framing of PVR can impact labour standards is a potential ideational shift of individuals and even the culture of an entire firm. In particular, the notion of ‘changing hearts and minds’ is part of Stonewall’s ‘mission and priorities’ (Stonewall 2020); and many interviewees considered LGBT inclusion to still be a contested societal issue:

*“With Stonewall there is still an awful lot to do in terms of hearts and minds” (Interview 89, director of HR, public organisation, 22.2.2019).*

Creating a shift in people’s and organisation’s views by facilitating a moral debate was intrinsically linked to creating changes in labour standards. The origins and history of Stonewall as a more confrontational and activist lobbying charity (Stonewall 2019) might partially explain why it tends to be slightly more forceful and ethically challenging in its role towards employers:

*“Stonewall – because of the history – has framed LGBT equality a lot around it being the moral thing to do, more so than BITC” (Interview 89, director of HR, public organisation, 22.2.2019).*

At its inception, Stonewall was campaigning for LGBT rights in all areas of life, including the political and educational spheres, as well as the public and personal domains. It is only later that Stonewall became increasingly active in the spheres of work and employment:

*“We’ve always been a lobbying organisation and we still are. We have a very strong lobbying and campaigning function. Over the years, Stonewall then developed a [work] programmes arm” (Interview 31, programme manager, Stonewall, 15.8.2017).*

Interviewees explained that these activist tendencies are engrained into Stonewall’s organisational identity and help to explain why it frames LGBT inclusion as a moral or ethical concern, rather than merely focusing on satisfying business-case interests. In addition, many respondents claimed that this PVR narrative of both CSR and LGBT inclusion should – through ethical framing – be institutionalised, embedded, and integrated into the culture of businesses:

*“This is business-critical. Diversity and inclusion are not charitable activities. They’re not something you do on the side. They should be core of what businesses do” (Interview 30, senior consultant, Inclusive Employers, 19.7.2017).*

This is despite these issues mostly not being formally legislated or enforced through a governing body, but merely suggestively encouraged through PVR by organisations such as BITC and Stonewall. It suggests that PVR could be formally shaping and influencing business cultures and having stronger effects on my outcome variable labour standards:

*“We have to challenge some of the accepted narratives about what business’ role is (...) the idea of: ‘healthy high streets come from healthy back streets.’ – this idea of the businesses being embedded in communities” (Interview 41, director, BITC, 15.11.2018).*

Many interviewees claimed that through ethical framed PVR, BITC and Stonewall could achieve – or even had already achieved – a fundamental and transformative change within the business environment:



*"You have a moral obligation. I just think that there should just be some things that you do which are responsible. It should not even really be thought about. It should be engrained with how you work" (Interview 72, HR consultant, law firm, 13.4.2018).*

*"It is not seen as an add-on to the corporate day job. It has become integrated into the corporate environment" (Interview 66, head of diversity, public organisation, 7.3.2018).*

These respondents claimed that the PVR activities of organisations such as BITC and Stonewall are helping to make CSR and LGBT inclusion increasingly an undisputed, integrated part of modern-day business:

*"There were some things that were previously just seen as the 'nice to have' rather than as essential. And now there is more of an attitude of: 'This is central to our organisation'" (Interview 66, head of diversity, public organisation, 7.3.2018).*

This suggests that organisations like BITC and Stonewall might be – through ethically framed PVR – creating an ideational shift in terms of what businesses should focus on. In fact, many of my respondents even went one step further and claimed that employers and their collective membership organisations are leading the way in changing societal norms and attitudes towards issues like LGBT rights and sustainable development. For instance, Stonewall and many of its supporting member firms were actively involved in the LGBT campaign which achieved the decriminalisation of same-sex conduct in India in 2018 (Stonewall 2019). Some felt that, in fact, morally driven corporate behaviour had become the norm rather than an exception:

*"It doesn't really stand out in the corporate world. It is almost expected. It is just what people do now" (Interview 58, CSR manager, professional services company, 30.1.2018).*

This notion suggests that the moral aspect of PVR and labour standards are becoming, or even had already become, mainstream as an additional motivator beyond profitability and shareholder pressure:

*"They have become the main drivers in the business. The ones that are moving things to change. It's mainstream now" (Interview 40, previous director, BITC, 8.11.2019).*

### 5.2.2 Ethical demands: all bark, but no bite

*“We can bring our members to the water, but we can’t make them drink” (Interview 17, chief executive, BDF, 7.7.2015).*

While Stonewall and at times also BITC might gently challenge employers from an ethical perspective, my findings suggest that in comparison to the threat of the law or even the suasion of business-case benefits, their moral arguments and ethical demands tend to have less power to convince employers to act – especially with those who are not already inclined to behave ethically. My interviewee respondents repeatedly emphasised that – ultimately – neither BITC nor Stonewall have any substantial authority to coerce employers into changing their policies or practices:

*“We do not really have a function to tell organisations off. We do not have a long stick” (Interview 31, programme manager, Stonewall, 15.8.2017).*

Although, on the one hand, this lack of coercive power might at times make employers more willing to engage with organisations like BITC or Stonewall; on the other hand, this also means that they lacked any power to challenge or confront employers with force:

*“Not be too confrontational. But not be too afraid to challenge either. You know, sometimes we’ve been criticised for being a bit vanilla in our approach, although I think that is unfair” (Interview 39, director, Stonewall, 7.11.2017).*

This lack of power was occasionally referenced as potential weakness of ethical framing, as PVR could result in fewer or less effective changes to labour standards:

*“Stonewall has no power to come from the outside and do that. It is really more of an advice-giving role” (Interview 45, former pro-vice chancellor, HE organisation, 14.12.2017).*

This is also why, some interviewees described BITC and Stonewall rather as information providers, supporters, or advice givers:

*“We are trying to celebrate best practice. We are not there to police businesses, or to hit people over the head with a stick. We are there to challenge, but perhaps we are more to support” (Interview 42, account manager, BITC, 15.11.2017).*

Excluding existing or potential members was really seen as a last, and undesirable resort. The following quote illustrates BITC's lack of power over its members:

*"Well, are they better inside the tent than outside the tent? So, if they're inside the tent, then you can work with them, you can challenge them, you can have those open and frank discussions. If they're outside the tent, then that becomes harder. So, we haven't had an occasion where we've had to banish anyone. (...) We will have that conversation with that company on, 'What went wrong, but more importantly – how can we ensure that it doesn't happen again?'" (Interview 14, managing director, BITC, 1.6.2015).*

As a result of this lack of a 'bite', several interviewees indicated that the moral undertone of the triple bottom line ideology might be 'preached' but not 'practiced'. Respondents suggested that for the ethical frame to be effective in changing labour standards, it demands that employers must fundamentally change the way in which they view their role in society and their impact on society and the environment. While some member businesses from BITC or Stonewall *claimed* to be reacting to ethical framing; when they were asked more specifically, this appeared to only be a façade, a red herring. The moral commitment might thus at times be superficial or illusive:

*"Currently, you can be a member [of BITC] and not really be engaged" (Interview 32, director, BITC, 17.8.2018).*

This shows that, at times, ethical framing can *seemingly* be the driving force, when *actually* it is the business-case framing which remains the dominant motivational force that convinces firms to commit to PVR. Most businesses might still see it as their one and only duty to satisfy the financial bottom line and their commitment to producing a profit for shareholders. Whilst the business-case frame is directly aligned with bottom line financial interest of firms, the ethical frame supposes a wider responsibility for business, which may be unrealistic.

### **A moral ambiguity**

*"The risk when you say that it is the right thing to do, is that people might ask: 'Well is it?' (...) For example, I've had the experience where people have said that they are people of faith and they struggle to engage with*

*people who are LGBT” (Interview 89, director of HR, public organisation, 22.2.2019).*

A second, minor, and yet significant potential risk that an interviewee pointed out with regards to ethical framing is that it potentially opens the door for individuals and firms to question the morality of the PVR focus. This could in turn prevent labour standards to be effectively raised through PVR. Contrastingly, to when action leads to profit or to prevent legal action, when the motivation is ethical, this might entail an ethical debate or ambiguity to action:

*“Sometimes, you then need the law, so that you can simply say: ‘Tough, we’re doing it because the law says so.’ (...) There is a risk by just focusing on the moral side, it takes away that power” (Interview 89, director of HR, public organisation, 22.2.2019).*

## 5.3 Choosing a frame

*“You have to go in with both the business-case and also a moral argument” (Interview 91, programmes officer, Stonewall, 3.5.2019).*

This section briefly examines two significant questions which lie at the intersection between business-case and ethical framing. First, do BITC and Stonewall tailor the motivational frames they use depending on whom they are talking to, and does this purposeful variation lead to a higher impact on labour standards? Second, how do the business-case and ethical frames relate to one another?

### 5.3.1 Variability and tailoring of frames

*“We would definitely modify our pitch depending on who we had at the table. That is the art of selling anyway” (Interview 39, director, Stonewall, 7.11.2017).*

*“The business-case will speak to different businesses. When we are recruiting [members], it’s about tailoring the case, based on what we think will apply most to that particular business we are talking to” (Interview 32, director, BITC, 17.8.2018).*

These two quotes illustrate that directors from *both* BITC and Stonewall purposefully and consciously choose to modify the type of framing they utilise

depending on whom they were talking to. This is because different individuals and firms respond in different ways to the two types of framing:

*“For some, there is absolutely a moral-case. Everybody should be treated with dignity and respect. (...) For others, there is the argument in terms of productivity of staff that ensures: ‘I get the best out of my people’ – could be important argument for the hard-headed, financial, corporate people” (Interview 31, programme manager, Stonewall, 15.8.2017).*

*“Stonewall’s account managers are really good at sussing out an organisation’s priorities, and to then use either business or moral arguments to get them on board” (Interview 91, programmes officer, Stonewall, 3.5.2019).*

Below, I unpack three variations in the way BITC and Stonewall choose to frame PVR in different context: first, the sector in which the organisation operates; second, the size of the firm; and third, the role of the individual within that organisation. In addition, it should be noted that beyond these three important contextual differences my findings also show that firms which chose to join a collective membership organisation like BITC or Stonewall often also chose to join other comparable organisations. For instance, four of my member firm case studies are Living Wage employers, including both law firms, the professional services company and the HE organisation (case studies 4, 5, 6 and 7). Similarly, both the professional services company and one of the governmental organisations are members of the BDF which focuses on the equality and inclusion of disabled staff and customers (case studies 6 and 8).

Another issue worth noting in the context of frame variability is that despite the actor-centric nature of framing specifically and of my focus in this thesis more broadly, the variable framing is nonetheless also related to structural aspects of work and employment. The choice of BITC or Stonewall to rely either on business-case or ethical rationales (or both) is not only related to ‘whom they are talking to’ but also invariably related to the issue they focus on. For instance, one of the reasons why LGBT equality, at times, aligns better with ethical arguments is because it is comparatively cheap to the firms. In contrast, the CSR commitments promoted by BITC might impose heavier costs on firms by for example, paying the living wage or introducing low-carbon operations, and therefore, lend themselves more easily to

business-case framing. The subject at hand might thus influence the purchase that business-case or ethical framing has for these issues.

### The private or the public

*“I think you will get different answers from a private and a public sector organisation” (Interview 46, education and skills manager, governmental organisation, 20.12.2017).*

The variation that was pointed out most frequently, is that BITC and Stonewall actively tailor their framing depending on whether they are talking to a private and public sector organisation. Broadly, my findings show that while private employers tend to respond more favourably to the business-case frame, public sector tend to react more strongly to ethical framing which can, in turn, result in deeper changes to labour standards:

*“Private sector organisations (...) understand the business-case for equality and inclusion” (Interview 31, programme manager, Stonewall, 15.8.2017).*

*“The difference between us as a public organisation and private businesses is that (...) for us there is not really a commercial advantage in doing this” (Interview 70, interpreter, governmental organisation, 16.3.2018).*

More specifically, several interviewees pointed out that certain pathways from the business-case argument carry more salience either in public or private organisational contexts:

*“Part of the motivation for private businesses is going to be about the pink pound and the market. Whereas in the public sector, we do not have that motivation. So that is removed for us and it is purely about being an employer of choice and a service provider” (Interview 56, diversity and inclusion manager, governmental organisation, 25.1.2019).*

My findings demonstrated that ‘becoming an employer of choice’ and thus, improving employee recruitment and retention, as well as engagement and productivity was a much more salient argument in those firms who require a particularly highly skilled workforce, such as in my case studies 3, 4 and 5 (one IT and two law firms). On the other hand, another pathway of business-case framing that

speaks quite strongly to public sector employers is compliance with the law. In particular, the PSED can be a strong motivator for public organisations to engage in issues related to equality and inclusion, as was the case in my case studies 8, 9 and 10 (three governmental organisations):

*"We, as a civil service department, have the Public Sector Equality Duty. It is a higher legal threshold than what private sector firms. (...) The legal argument might be less important in the private sector" (Interview 89, director of HR, public organisation, 22.2.2019).*

Thus, legal compliance was clearly an aspect of BITC and Stonewall's business-case that resonated more strongly and was also purposefully emphasised in conversations with public sector organisations. These findings are unsurprising as private businesses are primarily driven by financial incentives rather than formalised rules and regulations. This also explains why BITC and Stonewall choose to modify their 'pitch' when discussing PVR with prospective member firms:

*"I would say when you are working with a council: hit them with the PSED and when you talk to a retailer: hit them with the business-side of things" (Interview 89, director of HR, public organisation, 22.2.2019).*

### Organisational size

*"You've got to think your small business is going to need something different to your huge business. (...) Thousands of employees versus some smaller law firms who've got maybe fifty employees; and they have a very different need" (Interview 29, chair, CAADV, 30.8.2016).*

In addition to sectoral differences, my empirical findings suggest that the salience of business-case and ethical framing is also dependent on the size of organisations. For instance, my findings suggest that larger, product-oriented, customer-facing businesses (e.g. big multi-nationals and retailers) are more concerned with the pathway of the business-case which is focused on their brand. Interestingly, the membership-base of both BITC and Stonewall also had larger market proportions of large, customer-facing employers in comparison to smaller firms:

*"They tend to be larger employers, because it's larger employers who have got the money to join" (Interview 11, advice, policy, and research specialist, ENEI, 3.3.2015).*

On the other hand, my findings show that these same large and consumer-facing big businesses were also more susceptible to weaknesses (i.e. 'negative scores') associated with business-case framing, such as the potential to make merely shallow changes to labour standards where firms use PVR as a means to 'look good' rather than to really 'do good'. Big firms, who are overly concerned with their brand image might even attempt to hide other malpractices by distracting the public through actions in the domains of CSR and LGBT equality. These negative potentialities of the business-case are most important in large, customer facing brands who have the money to potentially 'whitewash' their actions through PVR.

Contrastingly, smaller businesses that are more deeply embedded within complex supply chains and are dependent on securing work through tendering or procurement, are more focused on those aspects of BITC and Stonewall's business-case framing surrounding the improvement of their chance of winning new or better work contracts. For instance, one interviewee explained:

*"Smaller companies are finding if they're in the supply chains of bigger companies that the larger companies are putting more and more pressure on the supply chain to show that they are being responsible of their CSR (...) [and] are on board with their values" (Interview 6, account manager, BITC, 5.8.2013).*

### Individual temperaments and roles within firms

*"If it was someone from marketing in front us, and we would emphasise the branding aspect" (Interview 39, director, Stonewall, 7.11.2017).*

The final aspect of variability where BITC and Stonewall were found to tailor their motivational framing concerns the temperaments and roles of individuals within firms. For instance, while ethical framing aims to morally challenge people – albeit gently – to 'do good', this pathway is much more pertinent with people, who already have a strong ethical orientation and can therefore use Stonewall (or BITC) to fulfil the ethical remit they have set themselves and their firms. Additionally, the role and seniority of individuals within firms is also key, as one Stonewall interviewee pointed out that business-case framing doesn't tend to have the same effect on junior work-staff as it does with top-managers or business-owners:



*“Your junior staff will not respond to the business-case like the management or the chief execs or shareholders will. They will respond more to the ethical-case” (Interview 87, campaigns, policy and research manager, Stonewall, 11.1.2019).*

In fact, a BITC respondent explained in detail that at some point they had even made different brochures which were specifically designed to target business leaders, and other brochures which targeted middle-tier and lower-level staff members.

As a concluding remark, it should be pointed out however, that many of BITC and Stonewall’s respondents said that as long as employers were changing their labour standards – they did not really mind by which frame they were principally motivated. In other words, they would simply use the frame that worked best:

*“For a lot of employers, it’s a selfless thing. They do not have an agenda themselves. It’s just something they want to do to be a good corporate citizen. For other employers, they have a partly selfish agenda. But we do not mind that because even if it’s satisfying their business objectives, for us, our rhyme and remit is to have a positive impact on society” (Interview 15, people team director, BITC, 4.6.2015).*

### 5.3.2 Linking frames

*“There are lots of well-paid individuals from the financial sectors, who do lots of fantastic work without getting any attention for what they do. They do not do it because it looks good. It’s because it’s the right thing to do (...) I think we should differentiate those that do it for that reason but are authentic in their behaviour and those that are authentic and demonstrate what they are really doing on the ground” (Interview 61, head of CSR, investment firm, 15.2.2018).*

The second significant question that this section aims to address is: ‘How do the two frames that are presented in the chapter relate to one another?’ Two main suggestions were offered by my empirical findings. First, there is a mutual exclusion hypothesis, whereby business-case and ethical frames operate using different, competing logics and may thus crowd one another out. Second, is the mutual reinforcement hypothesis, whereby the two types of framing can potentially strengthen each other. My findings surrounding both explanations are briefly explored below.

### Mutual exclusion

*“There also needs to be a purpose of the business and it can’t be making money. (...) You have got a set of values that you all know and believe in” (Interview 74, senior partner, law firm, 12.3.2018).*

There were some, albeit very few, respondents who accentuated only one of the two types of framing, and who would describe it as a form of antithesis to the other type of framing. For instance, the quote above solely emphasises a motivation to engage in PVR based on its inherent ethical value and implies that money and profitability should not play any significant role in PVR. Other respondents conveyed the opposing, albeit still, mutually excluding view, whereby PVR should be inherently driven forward by business-case framing since the ethical side is rather unconvincing:

*“If it’s framed as ‘doing the right thing’ – that can be hard to sell to a business” (Interview 40, previous director, BITC, 8.11.2017).*

In either of these rare instances, business-case and ethical framing, as used by BITC and Stonewall, were presented as mutually exclusive.

### Mutual reinforcement

*“In order for things to be successful the business side and the moral side of the issue need to be used in a mutually supportive way” (Interview 91, programmes officer, Stonewall, 3.5.2019).*

*“When we talk about: ‘why join?’ – there is always a mutuality of benefit. Yes, it’s the right thing to do from a moral point of view. Yes, it will help you build community relationships, recruit, retain, attract a more diverse workforce, demonstrate community benefit and procurement” (Interview 32, director, BITC, 17.8.2018).*

The majority of my interviewees argued that business-case and ethical framing by BITC and Stonewall might not only work harmoniously next to one another, but that they could be mutually reinforcing and work in conjunction with each another, and thus, that the combination of both business-case and ethical framing result in the most effective changes to labour standards:

*“We do it because it’s the right thing to do. If we can attract better people and clients and motivate our people than that is just a bonus” (Interview 52, CSR manager, law firm, 16.1.2018).*

Most interviewees suggested that through mutual reinforcement the two frames could strengthen each other; in particular, as they might counterbalance the potential risks of the other frame and thus result in more robust and deeper changes to labour standards:

*“I do not think any of the arguments (...) are weighted more than the other. I think that if an organisation focuses on only one, then they might lose sight of what else could be” (Interview 89, director of HR, public organisation, 22.2.2019).*

One interviewee, for instance, described how the mutual reinforcement of business-case and ethical framing had played out in his firm during a gala event:

*“We have an internal fundraising meeting, where we stage gala events. (...) There were references to: ‘this is a firm with a heart’. (...) The best description was ‘feeling proud of the place that they work’. That is hugely valuable. Both in terms of retention, but also of productivity” (Interview 62, head of communications, law firm, 6.3.2018).*

An interesting and more specific example of how business-case and ethical framing might reinforce one another was presented by a Stonewall respondent:

*“Our core aim and mission within Stonewall, is changing hearts and minds (...) [which] resonates with the ethical side of things. But, at times, the way we get to that moral side is through the business-case, (...) [it] can be used as a tool to get to achieving ethical changes” (Interview 87, campaigns, policy and research manager, Stonewall, 11.1.2019).*

This quote suggests that Stonewall (and BITC) could use the business-case frame to get ‘access’ to a business. It is only later that they attempt achieve more deep-rooted, ethically infused changes. The respondent’s description suggests that the business-case frame can be used as a Trojan horse that is introduced into businesses so that the ethical frame can then set-in and take over. A similar example of this was presented by a senior partner who introduced an ethical policy within his firm – while initially framing it as a business-case:

*“When I pitched this [to shareholders] for the business saying that it would be cost-neutral. And everyone agreed to it because it was cost*

*neutral. But, after having it for six months no one was concerned about the business-case anymore. No one would question it. It has become like our heartbeat. It pushes the blood around the place” (Interview 74, senior partner, law firm, 12.3.2018).*

## 5.4 Chapter summary

My empirical findings demonstrate that framing is an important process for BITC and Stonewall in their delivery of PVR, and which in turn significantly impacts labour standards in their member firms. BITC and Stonewall use their power and agency to frame PVR in two distinctive ways, namely through business-case arguments and ethical factors. My findings suggest that framing influences the type and number of firms that affiliate with them, as well as on the profundity of the resulting changes that are made to their labour standards. Thus, the way in which BITC and Stonewall discursively describe and ideationally frame PVR has a significant causal influence on both the *breadth* and *depth* of changes to labour standards.

My findings suggest that when BITC and Stonewall frame PVR through a business-case lens, this is an extremely successful strategy to motivate firms to engage with them; yet, there is a danger of firms becoming merely concerned with ‘looking good’ rather than ‘doing good’. My findings indicated that BITC and Stonewall’s ethical framing convinced slightly fewer firms to affiliate and engage in PVR. This is especially because, as membership organisations, BITC and Stonewall lack the ability to enforce their PVR measures within their members. However, my interview findings demonstrated that those employers who voluntarily and intrinsically choose to make a moral commitment to PVR initiatives also tend to make more profound and long-lasting changes to their labour standards. The most successful changes to labour standards, however, my findings suggest, resulted in when BITC and Stonewall use business-case and ethical framing in conjunction with one another.

## CHAPTER SIX: Interaction

*“Although there is a competitive element (...) it’s also about all working together” (Interview 57, programmes manager, Stonewall, 29.1.2018).*

My empirical findings suggest that there are two archetypal modes of interaction between the member firms of BITC and Stonewall, namely: ‘competition’ and ‘cooperation’. Representatives from both case study organisations explained that they can aim to foster either – or both – types of interaction between their member businesses. Additionally, however, member firms can also choose, of their own accord, to interact with one another in either, both, or neither of these ways. Therefore, in contrast to the previous chapter and the variable of framing, the agency to determine the variable interaction does not lie solely with BITC and Stonewall; the member businesses themselves also have a strong influence on how they interact with other members.

The chapter contains three sections. In the first two sections, I unpack my findings surrounding ‘competition’ and ‘cooperation’. I investigate why and how these modes of member interaction are attractive to BITC and Stonewall and their member firms, as well as how they are conducive in raising labour standards. Then I highlight the weaknesses, risks, and challenges that competition and cooperation entail in terms of shaping workplace policies and practices. In the third section, I discuss how the strategies of competition and cooperation inter-relate with one another. Throughout this chapter, my empirical findings demonstrate that the type of interaction which is fostered between the member firms of BITC and Stonewall has significant influence on the process of PVR delivery, as well as on whether and how labour standards are raised through PVR.

### 6.1 Competition

*“Competitiveness is part of it. It is part of human nature. (...) As soon as you say award, or rank list, it is natural to want to achieve a higher rank or win an award” (Interview 87, campaigns, policy, and research manager, Stonewall, 11.1.2019).*

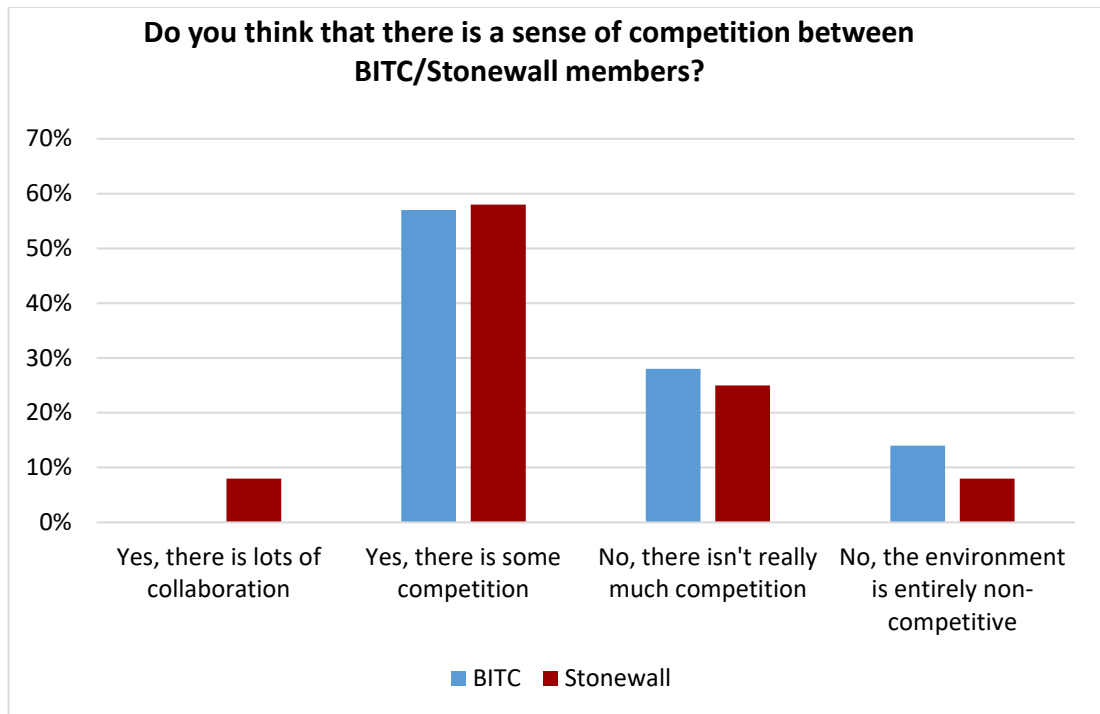
The first type of interaction between member firms highlighted by my interviewees was competition. In this section, I present my empirical findings associated with competition and demonstrate how this, at times, led to improved labour standards, as well as how and why there are significant limitations to this social mechanism for improving workplace policies and practices.

### 6.1.1 Fostering contests

*“Ranking firms does create competitiveness and I think that is an effective way of creating change” (Interview 87, campaigns, policy, and research manager, Stonewall, 11.1.2019).*

Both BITC and Stonewall reported in interviews that they relied on competition as a way of incentivising their members to engage in PVR, and that members actively chose to compete with one another. However, while competition featured in both of my case study organisations, my findings suggest that it is more prominent among the members of Stonewall than in BITC, as supported, albeit narrowly, by my survey findings (Figure 6.1) and also by interviewees:

*“Competition is less of a driver for BITC because – although they have the different standards Gold, Silver and Bronze and they are published – they are more of an individual driver. Whereas the ranking list [WEI’s ‘Top 100 Employers’] that you have with Stonewall, there is more of a competitive edge to that” (Interview 89, director of HR, public organisation, 22.2.2019).*



**Figure 6.1:** Competition between members – BITC and Stonewall in comparison.

I also found that there are substantive differences in the ways in which BITC and Stonewall utilise competition which – according to my interviews – leads to differences in their degree of success in raising labour standards. While Stonewall's WEI has managed to create a more detailed and also fiercely competitive environment between members, BITC's awards do not demand as much evidence from firms and also have more a celebratory element to them. These competitive tools, the associated differences between the approaches of BITC and Stonewall, and how this impacted on labour standards are explored below.

### Responsible Business Awards

*"Part of what we do as an organisation, is to find, lift-up and showcase the best of the very best. And in doing so, by holding up our winners, we show that this is one of the most responsible businesses (...) demonstrating the positive impact that these companies are having, and we can tell that story through the awards" (Interview 54, events and communication manager, BITC, 17.1.2018).*

BITC's central tool invoking member competition is the so-called: 'Responsible Business Awards'. Awards played a much greater role for BITC members than for

Stonewall members, as indicated in my survey findings whereby 71% of BITC members, whilst only 16% of Stonewall members said that they had participated in the respective award schemes during the past three years. These awards have a celebratory function, as well as the sharing of best practice:

*“We are big on awards. We celebrate responsible businesses on an annual level” (Interview 42, account manager, BITC, 15.11.2017).*

Both the members and non-members of BITC can apply for to the Responsible Business Awards; although, they must be for-profit businesses. Every year the award categories are relatively similar. For 2019, the categories were as follows:

1. The Race Equality Award
2. The Barclays Developing Resilience Award
3. The Education Partnerships Award
4. The Fujitsu Digital Innovation Award
5. The UPS Environmental Sustainability Award
6. The Connected Places Award
7. The Unipart Outstanding Employment Award
8. The Age Friendly Teams Award
9. Responsible Business of the Year
10. The Bupa Health and Wellbeing Award

At each of the three BITC award workshops which I attended in Bristol (5.12.2017), Swansea (31.1.2018) and Cardiff (20.11.2018), it was emphasised that for applications to be successful it is extremely relevant for the programmes to show their objectives and to demonstrate how they would create impact. The score is also highly dependent on some qualitative and/or quantitative evidence. However, it is imperative to note that – unlike Stonewall’s WEI – the focus of each award category is a relatively broad topic and each firm can submit, for instance, a new programme and include self-selected supporting evidence. For instance, the 2019 winner of the Race Equality Award, Royal Academy of Engineering, won based on their Graduate Engineering Engagement Programme which is:

*“designed to increase the number of engineering graduates that are ethnic minority, female, or from socially disadvantaged backgrounds” (BITC 2020, ‘The race equality award’ section).*



Each application is then typically reviewed by four assessors, who examine each entry based on three criteria. First, they assess the input or what is put into the programme, such as money or time management costs. Second, they examine the output, in other words, the immediate and direct activities which resulted from the programme. Finally, and most significantly, they assess the impact – the: ‘so what?’ or ‘what difference did this make?’ (Participant observation notes, BITC event, Bristol, 5.12.2017). Those stories which are regarded as the most promising are then transformed into case studies, showcased at the annual Gala award dinner, and disseminated to the public and other businesses via brochures, the BITC website and news articles. Thus, BITC’s awards are particularly salient in terms of helping companies to further their brand image:

*“Prestige, reputation, it looks good when we can show that we have won awards (...) it’s actually a bit mad. So, many awards (...) it’s mainly driven by our marketing team. And they go for all kinds of awards” (Interview 52, CSR manager, law firm, 16.1.2018).*

The awards entail benefits not only for the participating organisation itself though, as my participant observation notes explain:

*“BITC representative explained that the awards are mainly about sharing inspiring stories that go above and beyond the regulatory and statutory requirements of business. She said: ‘We want people to enter and have the best entries possible.’ She said that the awards are good for the businesses who participate, that it’s also good for BITC who can use the examples from the awards and good for other firms who can read up on the successful stories” (Participant observation notes, BITC event, Bristol, 5.12.2017)*

## Workplace Equality Index

*“If you’ve got a Top 100 it will always have a competitiveness to it. And I think Stonewall likes that because it gives a certain validity to it” (Interview 46, education and skills manager, governmental organisation, 20.12.2017).*

Stonewall’s most iconic, as well as harshly competitive tool is the so-called ‘Workplace Equality Index’ (WEI). Out of my Stonewall member survey respondents, 100% said that they had previously participated in the WEI. Similarly, 100% survey

respondents said that the WEI played either a ‘moderate’ or a ‘great importance’ in their decision to become members, whereas only 67% reported the equivalent for any of BITC’s benchmarks (e.g. ‘Diversity Benchmark’ or ‘Responsible Business Check-Up’). Moreover, out of the 377 newspaper articles and press releases which were identified during the LexisNexis analysis, 143 (38%) were coded to be directly related to the WEI and its Top 100 list, (other relevant topics were: ‘Stonewall event’ and ‘opinion pieces’). The chief executive of Stonewall said the following about the ‘Top 100 Employers’ list 2019:

*“The Stonewall Workplace Equality Index 2019, now in its fifteenth year, has been the largest yet. We’re immensely delighted by this year’s Top 100 Employers – and of all the 445 organisations that entered” (chief executive, Stonewall 2019a).*

On Stonewall’s website the tool is defined as the free “definitive benchmarking tool for employers to measure their progress on lesbian, gay, bi and trans inclusion in the workplace” (Stonewall 2020b). It is an annual benchmarking survey which gathers extremely detailed and in-depth data from organisations to measure firms’ progress in achieving LGBT equality and inclusion and compares their results to an evolving standard of best practice, as well as to the results of other organisations in a list called the ‘Top 100 Employers’.

The WEI is comprehensive as it gathers and measures businesses’ policies and practices across a range of nine topics that touch upon LGBT equality and inclusion, including the development of recruitment policies, a training programme and LGBT networks (see Table 6.1). For the vast majority of the WEI’s 72 questions, Stonewall require employers to submit supporting evidence. Unlike BITC’s awards, where a comparatively small amount of self-selected evidence is required to demonstrate impact, here, Stonewall demands extensive evidence from things such as: events, LGBT group meetings, policy outlines, training dates, action plans and public statements. What is perhaps most significant about the depth of this competition, is that it also includes an employee survey which feeds into the overall benchmarking score of each business and asks them about their ‘lived experience’ of being LGBT or of the experiences of LGBT people they know within their workplace.

**Table 6.1:** Overview of WEI 2019<sup>24</sup>.

Section	Title	Description	Number of questions	Section value
1	Employee Policy – Policies and Benefits	This section examines the policies and benefits the organisation has in place to support LGBT staff.	7	7.5 %
2	Employee Lifecycle	Explores the employee lifecycle within the organisation; from attraction and recruitment through to development.	9	13.5 %
3	LGBT Employee Network Group	Investigates the activity of your LGBT employee network group.	7	11 %
4	Allies and Role Models	Researches the process of engaging allies and promoting role models.	9	11 %
5	Senior Leadership	Examines how the organisation engages senior leaders in the LGBT agenda.	4	8.5 %
6	Monitoring	Focuses on how the organisation monitors its employees, including data collection methods, analysis, and outcomes.	7	11 %
7	Procurement	Investigates how the organisation affects change in its supply chain, e.g. by holding suppliers accountable for LGBT practices.	4	9%
8	Community Engagement	Researches the outreach activities of the organisation into the wider community and its impact.	4	10 %
9	Clients, Customers and Service Users	Explores how the organisation engages with clients, customers, services users, or partners.	5	8.5 %
10	Additional work	Asks about any additional work the organisation has carried out.	1	1 %
-	Employee feedback survey	This separate questionnaire is sent to each staff member (since 2013, it is also sent to non-LGBT employees). It incorporates staff members' individual workplace experiences of LGBT diversity and inclusion.	16	9%
Total	-	-	72	100 %

In addition to the 'Top 100 Employers' list, the results of the WEI are also used to reward organisations who perform particularly well in specific areas. Awards are also used by Stonewall as another pathway through which they attempt to capture case studies and disseminate examples of best practice across their membership and further into society (Stonewall 2020). Several interviewees suggested that a high score within the WEI Top 100 could also attract LGBT consumers to 'spend their pink pound'. Similarly, achieving a high score on Stonewall's Top 100 list could be used as a form of

<sup>24</sup> Stonewall. 2019a

marketing and self-promotion, which would ultimately translate into profitable, bottom-line business benefits:

*“It has become a massive thing now. If you get number one in the index, you will get listed in a lot of publications. (...) We worked out that the equivalent advertising costs would have been through all the media coverage and it was like 3 million pounds, or something. So, we are getting our money’s worth from the index” (Interview 56, diversity and inclusion manager, governmental organisation, 25.1.2019).*

Thus, through competition, Stonewall has successfully managed to convince many employers and businesses to affiliate, as well as to participate in the aim of climbing up the leader-board of their Top 100 list. Particularly, since the WEI has become such a prestigious competitive ground, many employers are keen to participate, and try to reap the benefits of being featured in the esteemed list:

*“There are not many things that get more than 400 organisations competing to be in the ‘Top 100’. I think they [Stonewall] have managed to create that sense of competition. (...) Whether you like lead tables or not. They are there. And people look at them. And they have an impact” (Interview 37, HR manager, HE organisation, 30.10.2017).*

### Self-monitoring

*“It is about us benchmarking ourselves in terms of understanding how we are doing and identifying how we are doing in terms of inclusion and diversity. So, we are working with Stonewall, BDF and the ENEI – to do surveys with them, to identify gaps and find out where we could do better” (Interview 65, diversity manager, public organisation, 7.3.2018).*

Interviewees said that the competitive tools of BITC and Stonewall could result in improved workplace policies and practices simply through the process of filling out the WEI or BITC’s Awards applications which might give employers ideas on how to change their workplace policies or practices:

*“Through completing the WEI, we get some ideas (...) of the things we could actually get done” (Interview 64, communications officer, public organisation, 7.3.2018).*

In fact, interviewees explained that this self-monitoring is the intended aim for one of BITC's more superficial benchmarking tools, namely the 'Responsible Business Check-up':

*"[It is] designed to identify the biggest gaps and to address those. And then, at the end of the year to do it again. So, you get two credits that year. So, you can see how your organisation has progressed" (Interview 54, events and communication manager, BITC, 17.1.2018).*

One interviewee particularly praised the WEI for its specificity in saying "what you should be doing [and] how you should be implementing change" (Interview 44, head of assurance services, HE organisation, 21.11.2017). She argued that through its line of questioning, it helped her to directly establish an action plan for her organisation:

*"The WEI walks you through the steps that have been evidenced that work and promote equality. (...) It is a really useful process (...) [For instance,] the WEI asks: 'What do you do about promoting role models?' And then you think: 'Oh, promoting role models. That might be a good way of getting engagement and making people feel comfortable about disclosing their sexual orientation.' The way they ask things, they've clearly thought about the types of behaviours in the workplace by employers that would make a difference." (Interview 44, head of assurance services, HE organisation, 21.11.2017).*

Some firm representatives even reported that they had entered Stonewall's benchmark not to be part of the Top 100, because they knew that was out of reach, but merely as a tool to cross-check their own practices and policies as a form of self-reflection. For instance, one Stonewall interviewee indicated:

*"The idea behind the WEI being free is that there will be organisations who go for it (...) [but] they can choose not to publish the results. And they can use it to either use more resources on this or decide to get further help" (Interview 34, head of policy and communications, governmental organisation, 16.10.2017).*

In addition to this, several interviewees pointed out that self-monitoring through the Top 100 list could prompt organisations to think about other areas where they might improve their policies or practices:

*“What it does do for us as well is it allows us to self-check and re-evaluate what we need to do in the future against their criteria” (Interview 46, education and skills manager, governmental organisation, 20.12.2017).*

Interviewees also pointed out how the WEI gave their PVR activities a framework to work through:

*“Stonewall and the WEI give us a really helpful framework to work within” (Interview 89, director of HR, public organisation, 22.2.2019).*

### **Bespoke feedback**

BITC and Stonewall provide most of the employers who participate in their awards and benchmarks with bespoke feedback:

*“When we have our feedback meeting after each year, they will mark-up the areas where we lost some points and areas we can work on. And what sort of action we should put in place. (...) It’s not just filling in information, it’s creating real change” (Interview 44, head of assurance services, HE organisation, 21.11.2017).*

Feedback might include suggestions on how to improve their policies and practices. In fact, some organisations reportedly entered simply as an exercise and to gain access to the feedback:

*“Some companies might know they are not going to be successful. They just want to get some feedback and self-check themselves that they are on the right track with a programme. Especially, when they are at the beginning of their journey” (Interview 54, events and communication manager, BITC, 17.1.2018).*

This is significant since some employers use the feedback to identify areas of potential improvement:

*“After the index, Stonewall will tell us: ‘This is where you lost points.’ So, they might say you did not do enough around procurement or profiling role models. And that gives us the incentive to make our procurement process more inclusive” (Interview 56, diversity and inclusion manager, governmental organisation, 25.1.2019).*

Many interviewees directly said that their participation in BITC's awards, but even more so in Stonewall's WEI had directly given them an incentive to improve their workplace policies and practices:

*"The benchmarking aspect is very powerful and the reason we have risen up the rankings is because of that and because of looking at the questions in-depth" (Interview 56, diversity and inclusion manager, governmental organisation, 25.1.2019).*

*"Having those criteria and benchmarks gives you the incentive to say: 'This is what I need to do, to be a good organisation'" (Interview 56, diversity and inclusion manager, governmental organisation, 25.1.2019).*

Regarding Stonewall's WEI, it is only those organisations who are signed up as 'Diversity Champion' members who receive feedback, while non-members can participate but do not benefit from this service (Stonewall website 2019b): "benchmarking is not a condition of membership [in Diversity Champions]" (Interview 13, previous director, Stonewall, 17.3.2015). Nonetheless, in 2015 all of the Top 100 ranked organisations were reportedly part of the Diversity Champion's membership programme which demonstrates the importance of receiving feedback for organisations to achieve a good rank on the index (Interview 16, programme manager, Stonewall, 6.7.2015). These feedback meetings are typically carried out by the firm's account manager from BITC or Stonewall:

*"Stonewall gives you the opportunity to meet with your account manager, who then tells you in which sections and on which questions you could have scored higher. These are the things you want to think about" (Interview 89, director of HR, public organisation, 22.2.2019).*

The feedback is important for organisations to establish an action plan on what they want to work on until the next submission which can in turn help to further raise labour standards:

*"After the results are published, we will meet with Stonewall and discuss the results and effectively that will give us an agenda for the following year. So, we will then decide if that is something for the network to do or if it is something for the organisation to do and its processes. For instance, one year we were looking through our LGBT policies and needed to LGBT proof them so that they would be written in more LGBT*

*friendly way. To check that we were using the appropriate pronouns. As a result of going through the policies and ‘cleansing’ them – that had been a direct result of our index feedback” (Interview 46, education and skills manager, governmental organisation, 20.12.2017).*

### Competing internally and externally

*“Competition is both internal – because we want to be the best we can; and external – because in your region, in your sector, there are those organisations that you want to beat” (Interview 89, director of HR, public organisation, 22.2.2019).*

The awards and benchmarks of BITC and Stonewall are essentially set up as competitions between firms or ‘external competition’ as dubbed by this interviewee. Yet, respondents from Stonewall’s member firms said that they are not only competing with other firms, but are also aiming to ensure that they maintain or surpass their score of the previous entry:

*“That competitiveness was very real. The pressure to advance in the lead table and in particular, the pressure not to go backwards was really intensive” (Interview 45, former pro-vice chancellor, HE organisation, 14.12.2017).*

Internal competition means that organisations do not want to lose any of the accolades or badges that they won in the past which could, in turn also be raising labour standards:

*“The competition is a tool to allow us to demonstrate whether we have improved or not. (...) There is an internal competition of wanting to better yourself. (...) Once organisations have received an accolade, they typically work hard to keep it because do not want to lose it” (Interview 89, director of HR, public organisation, 22.2.2019).*

This is despite the changes that are made to workplace policies and practices being very gradual, especially for those employers who are ‘starting off’ on their journey:

*“I remember doing the first Stonewall submission. (...) We were really disheartened because we were 370<sup>th</sup> out of 400. But they really put a positive spin on it. (...) They were great by saying to us to pick out three or four things that we can do very well that we can change which will*



*improve the situation year by year. They suggested we make incremental change” (Interview 66, head of diversity, public organisation, 7.3.2018).*

Next to internal competition, many firms reported to be continuously competing with other companies externally, especially those from similar geographical regions or from the same sectors:

*“We knew we were doing some good stuff (...) But, we did not really know how we compare across all sectors. So, we are now externally validating our approach” (Interview 66, head of diversity, public organisation, 7.3.2018).*

*“We always look at all the other Universities’ placements because that is what we are interested to see” (Interview 37, HR manager, HE organisation, 30.10.2017).*

I found that this *external* competitive drive to outperform their peers had a strong effect on employers and their willingness to make changes to their policies and practices, and thus, their labour standards:

*“I can think of at least one example where a professional services firm had seen that another professional services firm had achieved a silver using the ‘Disability Standard’ and they rang us, and they wanted to know how they could make sure they got at least a silver too. So, I guess there is that kind of competition that exists” (Interview 27, director of strategy and external affairs, BDF, 11.8.2016).*

The external competition through awards and benchmarks, several interviewees argued, is contributing towards raising the profile of issues related to CSR and LGBT equality:

*“The reason that people enter is because a lot of them put it on their website. You have an award (...) you can then say in your literature, ‘Award Winning Business’. (...) The award it’s trailed in the press and the local papers, and they do get a tremendous amount of coverage. And after the awards when somebody’s won, there are double-page spreads in the local papers” (Interview 88, chair, Bridgend Business Forum, 25.2.2015).*

*“There is no naming and shaming, you can only benefit from participating in an award. And if you win, we shout about it and people*

*want to know about it" (BITC representative, participant observation transcript, BITC event, Bristol, 5.12.2017).*

A qualitative finding that emerged from the LexisNexis analysis of Stonewall-related press releases is that there were subtle shifts in the tone of the articles over the decades. The articles in the 1990s and early 2000s indicated that some organisations were cautiously ambitious or supportive of Stonewall. Over time however, businesses and public organisations became increasingly confident in their support of Stonewall, as the LGBT agenda increasingly gained public traction. By 2016 and 2017, the articles indicated that large businesses and organisations were expected to support the LGBT cause and would even be put to shame if they were not taking part in the in the WEI. For example, in a 'The Times' (London) article from 2014, titled: "How proud competition has replaced fearful anonymity, employers are now eager to be part of Stonewall's equality index", the author reflects on the fact that when the first Top 100 Employers list was published, six of the top employers asked to not be identified out of fear of being open about their support for their LGB staff. By 2014, the authors claim that the atmosphere had turned entirely, where there is now: "fierce competition between some of our best-known employers from across all sectors". In another article by 'The Argus' from January 2016, two city councils were even openly criticised by councillors and campaigners for *not* entering the WEI. This was later confirmed in my interview findings:

*"When the WEI was first launched, they had a Top 20. And out of those, eight of the top companies would not want to be published in it. They were the best of the best at the time, and they did not want to be part of the WEI because they thought doing LGBT stuff would be bad for their brand. Well, now it is clearly the opposite issue. The trend is that everyone is into LGBT stuff and people think it great for our brand" (Interview 34, head of policy and communications, governmental organisation, 16.10.2017).*

This quote reflects how the WEI and Top 100 have gained in importance over the years, as well as how competition is potentially contributing towards creating a cultural shift around LGBT inclusion. These competitions are highly promoted and thus have a strong effect on businesses brand image.

## Evidencing change

*“Over the years Stonewall got much better at saying: ‘Come on, let’s see the supporting evidence’ or ‘let’s see the quality of this policy’. (...) They have beefed up the monitoring since the early years” (Interview 36, research fellow, HE organisation, 26.10.2017).*

Another fundamental advantage of competitive tools, such as awards and benchmarks, is that they enable BITC and Stonewall to demand supporting evidence from their members:

*“The awards (...) are a way of drilling down and understanding what good practice looks like” (Interview 40, previous director, BITC, 8.11.2019).*

This can allow BITC and Stonewall to monitor the policies and practices of members in more depth and with more precision. In other words, competition demands a ‘measurement’ of labour standards:

*“Both qualitative and quantitative evidence is key. But also, it is drilled into – it’s about the impact. So, inputs and outputs” (Interview 42, account manager, BITC, 15.11.2017).*

For instance, in the BITC’s award events, as well as in several interviews it was highlighted that the most important aspect of the awards process is to demonstrate its impact on the lived experience of employees:

*“BITC’s [model] (...) is: 1) Input, 2) Output, and 3) Impact. So, first, who got engaged, second, how much money? Then, most importantly, what was the impact, how many people did we reach? (...) although the impact one can be very difficult to measure and get evidence and quantifiable data” (Interview 52, CSR manager, law firm, 16.1.2018).*

There is, however, a significant difference in the depth of evidence demanded by the principal tools of BITC and Stonewall. On the one hand, BITC is relatively liberal in their demand for evidence to prove that the self-selected programmes are indeed in place and effective. On the other, Stonewall’s WEI asks much more precise questions across all different aspects of the organisation which must be backed up by specific qualitative and quantitative data. By drilling into the various inputs and outputs of firms’ PVR policies and practices Stonewall attempts to figure out whether their measures are having the impact that they are aiming for:

*“The WEI is a tool and a way to get information on how to drive change. It can drill down and find out what’s going on in the organisation. It is also a key driver to compete against other organisations” (Interview 47, director, governmental organisation, 20.12.2017).*

Demanding evidence from employers enables Stonewall in particular to check more thoroughly to what extent labour standards are changing:

*“One of the real benefits of doing a WEI application, is that it forces you to really get your own house in order. It’s a proper bit of research to find out what’s going on: ‘are the policies that you’ve put in place working?’ And developing an action plan that could deliver something” (Interview 45, former pro-vice chancellor, HE organisation, 14.12.2017).*

One specific aspect of the WEI which enables Stonewall to collect evidence on whether their member firms’ apparent changes to policies and practices are having the desired effect of improving the ‘lived experiences of their LGBT staff’ (Stonewall 2020) is through the staff questionnaire:

*“Stonewall do also have staff questionnaire. So, the organisational culture does also come into play in the index. And that takes into account, even if you have a policy – is that really impacting the staff. And that serves sort of as a quality check. And, I think it would be very difficult to do well in the index without having the culture in place; if staff said they we’re rubbish in the staff survey; it would be completely meaningless. If it isn’t making an impact, then there isn’t a point” (Interview 56, diversity and inclusion manager, governmental organisation, 25.1.2019).*

### **Raising best practice standards**

*“[The law] is a great back-stop, as a minimum. But if you focus only on the legal side, then you are not going to change culture (...) the legal argument will ensure that there is a minimum standard there, but it will not ensure that there is a culture or the right behaviours within an organisation” (Interview 89, director of HR, public organisation, 22.2.2019).*

In accordance with the literature discuss in Chapter Two, this interviewee contends that the legal argument can be helpful to regulate labour standards at a level of minimum compliance. However, several interviewees pointed out that to create an

incentive for firms to strive for ever-advancing labour standards; it is essential to address these issues on a moral level:

*“If we are talking about minimum wages, hours of work – then the legal argument is perhaps a very persuasive one. But, if we are talking about the lived experience of employees, how they feel at work, how they are treated at work – in those instances the legal argument is not enough” (Interview 89, director of HR, public organisation, 22.2.2019).*

By establishing competitions, both BITC and Stonewall are attempting to induce firms to engage in self-regulation and to raise their labour standards beyond any fixed sets of minimum standards:

*“The standards of what is expected of an employer is constantly growing (...) [to] create an incentive for them to continue to improve their practices” (Interview 87, campaigns, policy and research manager, Stonewall, 11.1.2019).*

Thus, perhaps the most significant advantage that interviewees pointed out surrounding competition, is that BITC and Stonewall are empowered to consistently raise the bar in terms of what firms are expected to do in order to achieve a high grade in a benchmark or to win an award:

*“Each time a business applies for a Responsible Business Award, it is raising the bar for others around the world” (BITC website 2019a).*

In fact, interviewees described the WEI as a benchmarking rather than a ‘kite-marking’ which means that there is an emphasis on continuous improvement, rather than hitting a specific fixed standard and then staying there:

*“It’s not a test that we set that organisations might pass or fail; it’s for organisations to measure themselves against best practice” (Interview 31, programme manager, Stonewall, 15.8.2017).*

Although this is obviously not legally enforceable, it still has an element of indirect challenge:

*“It’s not about just legal compliance. It’s about moving to best practice” (Interview 27, director of strategy and external affairs, BDF, 11.8.2016).*

I found that particularly Stonewall’s WEI is managing through continuous competition to induce companies to come up with new, innovative ways to raise best practice and improve policies. This competitive incentive may effectively be creating

a pathway through which businesses can innovate and adopt new, ever-improving labour standards:

*“The score you’ve got to achieve to get even to number 100 [in the WEI] now is way beyond what you would have had to get number 1, when we first started” (Interview 39, director, Stonewall, 7.11.2017).<sup>25</sup>*

In fact, new policies and practices could often disseminate and spread throughout the membership with surprising speed and, that if an employer really wants to win, then these new standards are almost imposed on them. For instance, one BITC representative explained that the purpose of the ‘Responsible Business Awards’ is to:

*“Drive forward an agenda of responsible business by recognising, lifting-up and showcasing innovation and best practice so that other employers might emanate those practices (...) We will shout about it. We want people to know about it” (BITC representative, participant observation transcript, event ‘Responsible Business Awards Workshop’, 5.12.2017)*

The approaches in raising standards do, however, differ between BITC and Stonewall. Respondents from Stonewall, in fact, explicitly stated that they felt that their rank lists are much more successful at creating an incentive for employers to continuously drive forward change in comparison to, for instance, accreditations, such as those by BITC:

*“If Stonewall were to, for instance, produce a Gold, Silver and Bronze standard, then after a company reaches a Gold, that might not create an incentive for them to continue to improve their practices” (Interview 87, campaigns, policy and research manager, Stonewall, 11.1.2019).*

Instead of focusing on ‘minimum compliance’, the implicit challenges imposed by Stonewall through competitive member interaction is creating a sense of ‘continuous improvement’. The competition through Stonewall’s WEI requires continuous reinvention to counter the danger of becoming stale.

*“The benefit from the Stonewall index is that it reinvents itself” (Interview 91, programmes officer, Stonewall, 3.5.2019).*

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<sup>25</sup> Performance management or competition?

The WEI survey operates on a three-year cycle. After each cycle, it is comprehensively reviewed and updated – although there may also be tweaks on an annual basis:

*“I think that Stonewall is doing a good job about keeping the WEI fresh”  
(Interview 68, campaigns, policy, and research manager, Stonewall, 8.3.2018).*

In designing and redesigning the WEI, interviewees said that Stonewall was open to lend and borrow ideas from other existing surveys in order to achieve the best result: “we’ll nick anything” (Interview 13, previous director, Stonewall, 17.3.2015). In fact, the original WEI was inspired by the ‘Human Rights Campaign’ which runs a similar survey for private sector employers in the US.

One of the reasons for these amendments are that Stonewall wants to keep moving the goal posts so that there is continuous improvement and to reflect shifts in policy. For instance, in its latest incarnation starting in 2017, Stonewall chose to embrace transgender equality and the resultant coverage of ‘transgender-specific’ and ‘transgender-inclusive’ employment policies into the WEI (Interview 16, programme manager, Stonewall, 6.7.2015).

An interviewee offered a counterexample of what could happen without this consistent reinvention:

*“Investors in People (...) was setup by government around 30 years ago in the 80s. The accreditation used to [communicate] ‘We look after our people.’ But it completely lost its focus in the 90s. (...) There is a lesson there about remaining fresh and relevant, (...) there is a danger in some organisations, where: ‘You pay, you pass.’ Organisations have the money – their people have the connections and it loses its authenticity. People had learned how to play the system. How to get a bronze, silver, gold, platinum accreditation. What Stonewall is trying to do now – is to continuously re-invent themselves and the benchmark [the WEI]. To say: ‘This is where we were three years ago. But this is where we are now.’ (...) if you remain fresh and relevant, organisations have to remain on their toes. So, that the badge continues to mean something.” (Interview 67, director of HR, public organisation, 7.3.2018).*

Thus, respondents from Stonewall emphasised time and again the importance for the WEI to continuously evolve which, in turn, makes it its most powerful tool:

*“That constant assessment, and work by the member organisation because you always have the next index to aim for” (Interview 70, interpreter, governmental organisation, 16.3.2018).*

While the notion of constant evolution was also present in the discourse of BITC representatives: “It is always evolving. It’s about continuous improvement” (Interview 41, director, BITC, 15.11.2018) – there is was no evidence to support that this was taking place within its award or benchmarking tools. In contrast, moving forward ‘best practice’ through Stonewall’s WEI creates a push for higher labour standards, as highlighted here by a representative of my case study 7:

*“[The WEI] is beneficial to everybody. It has been reflected in the way in which we work as an organisation (...) When I think back to where the University was [when we first participated] (...) we now have the rainbow flag above the main building for the whole of February for LGBT history month (...) We sponsor Pride Cymru (...) [and] the Iris Prize Festival (...) the WEI which has made us as an organisation ask: ‘Well why are not we doing that?’ Well, sometimes there is no reason why. We just haven’t gotten around to it. So, it is a benchmark. It is a way of saying to yourself: ‘Are we still delivering the things that we could and should do’” (Interview 37, HR manager, HE organisation, 30.10.2017).*

To a limited extent BITC’s Responsible Business Awards and to a larger extent, Stonewall’s WEI are reinforcing a positive pattern of behaviour by increasing the commitment of managers to the policies and practices that led to the award, by giving them new ideas and incentives to make changes, as well as by stabilising and embedding positive initiatives and then aiming to spread these new standards to other employers.

### **6.1.2 Shallow races and rivalries**

*“At times, organisations will be driven by their desire to demonstrate their virtue. (...) [They] will ‘sex-up’ their application to the point that it bears little resemblance to what they do on the ground level. I think that there is the problem” (Interview 61, head of CSR, investment firm, 15.2.2018).*

Competition between firms that are engaged in PVR entails three dangers which can make it ineffective in improving labour standards and are highlighted



below. First, there is a danger that organisations are merely ticking boxes for their award and benchmarking submissions. Second, the evidence which is mostly used to measure businesses' performance is voluntarily submitted, and thus, at times, potentially unreliable. Third, the comparisons associated with the competitions might not always be accurate or reliable.

### Ticking boxes

*"There are those organisations that want to do the tick-box stuff. They want to say: 'We've entered it [the WEI]. We want the logo. We are not particularly committed. (...) But we want to be able to say we are doing something for LGBT for our brand.' So, it comes from a marketing perspective" (Interview 34, head of policy and communications, governmental organisation, 16.10.2017).*

This quote suggests that at times competition can be driven from a marketing or branding perspective to make managers look good, indicating that there could be a potential lack of commitment:

*"What we did not want to happen, is for this to become a box-ticking exercise because you do not really gain anything from that apart from an award" (Interview 44, head of assurance services, HR organisation, 21.11.2017).*

Many of the quotes from interviewees suggest that when competitive awards and benchmarks become box-ticking exercises then the resulting workplace policies and programmes might in fact be superficial or even empty, and thus not effectively translate into employment practices:

*"With competition, I think the danger is that they just want to get it done on paper. The motivation behind it is: 'Let's move up the ranks and tick the boxes'" (Interview 91, programmes officer, Stonewall, 3.5.2019).*

This becomes intensified when the benchmark or award focuses merely on numbers that are fed into the competition or on the publicity and marketing associated with an award. Ironically, respondents also indicated that this danger could intensify due to the prestige of the competitions that are facilitated by BITC and Stonewall:

*“Some of the activities can be quite output-focused or surface-driven instead of outcome-focused. What has really changed? I have ticked that box – but what is the consequence of that? (...) The danger is of course that you are only doing it to chase a number or a ranking. (...) The danger is losing sight of what you are trying to fix” (Interview 89, director of HR, public organisation, 22.2.2019).*

### **Voluntary evidence**

*“Making sure that what they are measuring is what they intend to measure, (...) if benchmarks are inaccurate it means a company might be recognised for something, but: ‘Have they actually done it?’” (Interview 30, senior consultant, Inclusive Employers, 19.7.2017).*

Another fundamental challenge and risk of establishing a voluntary competition between firms is that it demands the effective and reliable ‘measurement’ of labour standards. However, some data is difficult to gather and potentially unreliable, particularly because the firms tend to collect the relevant data themselves. This was emphasised particularly as “companies are very reluctant to expose themselves to embarrassment” (Interview 17, chief executive, BDF, 7.7.2015). As a result, some claimed that the competition outcomes are not necessarily reliable and that the resulting rankings are at risk of being untrustworthy. Especially, as BITC’s demand for evidence in its awards is self-selected (whereas in WEI it is more specific) this is a particular weakness of the Responsible Business Awards.

### **Artificial scoring**

*“The ranking is artificial because you can improve your score but fall down the ranking because everyone might have improved” (Interview 89, director of HR, public organisation, 22.2.2019).*

A final issue with regards to PVR competitions is that the associated scoring and ranking might not always capture absolute improvements to workplace policies and practices, and instead, the focus can be solely on relative measures.

This danger is apparent in particular where organisations from various sectors, sizes or geographical locations are compared and contrasted with one another in a

list; however, where the comparison and competition are not possible to be accurate or reliable:

*“In any benchmarking scheme, for me it’s about wanting to compare like with like, not compare sort of apples with oranges. So, any kind of like index of that type is risky” (Interview 27, director of strategy and external affairs, BDF, 11.8.2016).*

## 6.2 Cooperation

*“It’s not just having one business working in isolation, but it’s about working as a collective. (...) The days when you did things entirely by yourself are gone. It is now all about collaboration and coordinating our efforts” (Interview 59, CSR manager, building society, 2.2.2018).*

My interview and survey findings, as well as my participant observations indicated that next to competition, there is a very strong sense of cooperation and collaboration between the members of both BITC and Stonewall which, at times, directly resulted in the sharing and raising of best practice standards. Comparatively, BITC relied more strongly than Stonewall on cooperative interaction between its member firms and the creation of interfirm networks:

*“BITC connects organisations. (...) That is the remit of what they do. They need organisations to collaborate. That is their modus operandi. I do not think it is as central to what Stonewall do, (...) whereas BITC has actively created a jigsaw” (Interview 72, HR consultant, law firm, 13.4.2018).*

This was confirmed by my survey findings as 71% of BITC members, but only 33% of Stonewall members described the respective organisations as a “business network”. Moreover, when asked about the impact of joining BITC, the most popular answer (out of 20 possible answers) by member firm respondents (57% major impact and 29 % minor impact) was that it had: “improved their connections with other responsible businesses”. Nonetheless, Stonewall also has a significant membership group called DC or Diversity Champions which focuses on inter-firm cooperation and therefore features in this section, albeit slightly less prominently:

*“you sign up to the DC. You then have a firm contact within Stonewall to look over – well you decide what the action plan is really (...) it is a one*

*year membership that can be continued” (Interview 34, head of policy and communications, governmental organisation, 16.10.2017).*

### 6.2.1 Learning opportunities

*“One of our aims as a responsible business network is to bring businesses together and share good practice and to learn and move the agenda forward” (Interview 51, corporate advisor, BITC, 16.1.2018).*

My interviews indicated that cooperation between firms in PVR networks could raise labour standards in three separate ways. First, BITC and Stonewall can disseminate examples of best practice across their business networks. Second, firms can independently learn from one another by sharing and cross-pollinating each other’s ideas, policies, and practices. Third, member businesses can establish joint programmes and projects, potentially improving the coordination and specificity of their PVR engagement.

#### Networks of knowledge dissemination

*“There is a sense of functionalism – from sociology. We are all parts of the body of society. Nodes in a network. If we can have a positive influence over those people around us” (Interview 72, HR consultant, law firm, 13.4.2018).*

The membership-base of BITC (and Stonewall) which consists of various private, public and third sector organisations were frequently described as ‘networks’ or ‘business networks’:

*“We are a network of businesses who are committed to being responsible – a business-led charity” (Interview 42, account manager, BITC, 15.11.2017).*

Particularly for BITC – which originated in 1982 as a business network – the principal aim is to establish and foster a tight-knit community of (local) community businesses. The centrality of cooperation and network creation has remained a fundamental aspect of BITC’s method of operations. One of the most frequently mentioned advantages of this in terms of raising labour standards is that knowledge and expertise surrounding PVR can be easily disseminated across the network:

*“We’ve built up quite a library of knowledge and expertise which has been driven by the companies that are part of the network” (Interview 42, account manager, BITC, 15.11.2017).*

The knowledge and expertise, interviewees explained, is based on the cooperation of members and the information that BITC and Stonewall can access from them. For instance, one interviewee reported:

*“The way that we develop our guidance is grounded in our experience of working with the employers and service providers. It’s all developed collaboratively with our membership” (Interview 27, director of strategy and external affairs, BDF, 11.8.2016).*

*“If they [a firm] have written a policy and they’ve shared it with Stonewall and Stonewall have said that it is good, then I think that they would be happy to share it around” (Interview 34, head of policy and communications, governmental organisation, 16.10.2017).*

Moreover, this knowledge could then further be disseminated within each of the member firms themselves:

*“We have 140 people here. If we can get them on board. You then have 140 agents out there who are having those conversations. And they’ll tell their friends, they’ll then tell their friends. By that logic it can spread. I think about it in terms of immunisation. You are not just protecting yourself by getting a flu-jab, but the community around you” (Interview 72, HR consultant, law firm, 13.4.2018).*

This dissemination of information and knowledge across business networks reportedly took on several different routes within BITC and Stonewall. The most frequently mentioned pathway of information and knowledge dissemination is through the member events. In fact, 57% of BITC members and 75% of my Stonewall member respondents said that they had actively participated in events, workshops, or conferences within the past three years:

*“You can come to free events, (...) they will give you information about if you’re employing people, making sure you do this, this and this. This is the new legislation. (...) So, it’s a lot of advice, as well as networking back and forth” (Interview 88, chair, Bridgend Business Forum, 25.2.2015).*

For Stonewall, access to events, seminars, and training are partially restricted to those who are DC members and thus, pay a membership fee each year:

*"Members have access to special events and seminars so they can learn about good practice. But also, you can network. And that is what most of the members of the diversity champions find effective is the networking with other organisations" (Interview 34, head of policy and communications, governmental organisation, 16.10.2017).*

Interviewees also explained that case studies of best practice, as well as information and knowledge from different organisations is accumulated and shared with member (and at times also non-member) firms through documents, such as guides, handbooks, and reports:

*"We have line-managers tips and guides, handbooks. We have general employer little guides, you know, 'This is what good practice looks like'" (Interview 25, strategic manager, EfC, 2.8.2016).*

Written information can additionally be accessed online by BITC and Stonewall members, such as in toolkits and case studies. This is advantageous as members get access at any time:

*"One of our biggest ways of providing information is online of course. When employers join (...) they have a unique user code for their organisation and then we have the resources online. (...) It can be dipped into at anytime, anywhere, any place" (Interview 25, strategic manager, EfC, 2.8.2016).*

In the case of BITC, some of these documents are only accessible to members via their membership login details. Similarly, Stonewall has a 'Best Practice, Toolkits and Resources' section where there are over 70 guides, toolkits, reports, webinars, briefings, posters and case studies that members and also some that non-members can access (Stonewall 2020a):

*"Our role is to empower the employers to give support and signpost as appropriate from their workplace, (...) to provide them with materials such as posters or training sessions for their HR people" (Interview 29, chair, CAADV, 30.8.2016).*

To achieve these aims, both BITC and Stonewall reportedly aim to ground their advice in evidence and research which they conducted:

*"We try to make sure that the work we do is evidence-based" (Interview 31, programme manager, Stonewall, 15.8.2017).*

*"It's key to get the evidence to get the management information behind you – that speaks volumes" (Interview 65, diversity manager, public organisation, 7.3.2018).*

The communication of information mostly takes the on the form of case studies. Several interviewees argued that the stories within case studies are one the most powerful ways of learning from others' experiences and even from their mistakes:

*"Nothing is more powerful than an individual story" (Interview 37, HR manager, HE organisation, 30.10.2017).*

An example of how BITC might have had a strong influence on the values of its member companies and potentially also on their labour standards, was provided by an interviewee from Northern Ireland, where BITC has developed and disseminated a charter of best practice that their member firms sign-up to and aim to commit to:

*"We developed this charter (...) which we got companies to sign up to. (...) Most companies, because we present it in a frame, and it's sitting on their wall when you go into a company premises and they're proud. I mean companies are proud of what they do but they're also proud of the organisation that they're part of (...) and how do they live those values or how do they live up to those commitments" (Interview 14, managing director, BITC, 1.6.2015).*

Furthermore, interviewees explained that the dissemination of information is useful as it prompts businesses to think about and consider issues that they might have otherwise overlooked, such as to redraft a policy that is out of date. It provides employers with a framework on how to consider changing their labour standards:

*"Stonewall and BITC provide a framework, a conversation, they provide a set of tools to talk about things. Having a checklist of things to discuss, think about and address" (Interview 89, director of HR, public organisation, 22.2.2019).*

A final way that BITC and Stonewall disseminate information among their member firms is through training. This was regarded by my survey respondents as more significant in Stonewall than in BITC, as 100% of Stonewall members and only 50% of BITC members indicated that it was either of 'moderate' or 'great importance'.

A potential reason for this is that the substantive focus of Stonewall, wherein several topics (e.g. unconscious bias) perhaps lend themselves more easily to training courses.

### Convening cross-organisational learning

*“One of the things members tell us is most valuable is the peer-to-peer learning through the network. (...) People get a lot from just coming to the events and learning from what others are doing in particular from different sectors and different size companies. Big companies learning from small companies and vice versa” (Interview 32, director, BITC, 17.8.2018)*

Next to the *formal* and *direct* dissemination of knowledge from BITC and Stonewall, interviewees repeatedly emphasised the power and agency of BITC and Stonewall to create links between their member firms and to encourage them to then *informally* and *indirectly* learn from one another:

*“We talk about the unique power of the BITC is to convene businesses around these issues. From bringing those businesses together, we can then define a potential set of actions from their experiences that will guide us” (Interview 41, director, BITC, 15.11.2018).*

BITC, and at times also Stonewall, can thus facilitate the sharing of best practice between their members:

*“It’s about bringing employers together so that they can talk about best practice” (Interview 24, operations manager, EfC, 2.8.2016).*

In this way, businesses might be able to avoid wasting time and effort trying to figure out a way of doing something that another member firm already knows how to do effectively:

*“When it comes to policies or developing training, it is silly to reinvent the wheel. So, people are happy to share best practice” (Interview 57, programmes manager, Stonewall, 29.1.2018).*

Member firm respondents greatly appreciated BITC and Stonewall facilitating cross-organisational learning:

*“[Before,] I felt I was working on my own in the area. And no one was there to share best practice with. BITC has been really helpful in that regard” (Interview 52, CSR manager, law firm, 16.1.2018).*



They argued that cross-organisational learning enables them to improve their own labour standards, as firms could share their policies with one another, as one interviewee explained:

*"I'm talking about knowledge exchange. [A large business] for example said, 'Oh we want to develop a carers' policy. Where do you start? (...). Rather than starting from a blank sheet, you know, other employers have worked on this so we can share among our membership knowhow, you know'" (Interview 10, strategic manager, EfC, 2.3.2015).*

Several of my case study firms were regarded as experts in self-regulating their labour standards in a particular area and were therefore consulted by other firms on a regular basis regarding their best practice standards. For instance, my case study 10 had placed in the WEI's top 5 several times over the past years and interviewees explained that they were frequently consulted on their policies, programmes and practices, and that they were, in turn, happy to share them:

*"People come to us for best practice. Just the other day I was asked by someone for one of our policies" (Interview 56, diversity and inclusion manager, governmental organisation, 25.1.2019).*

BITC and Stonewall postulated a narrative whereby businesses who affiliate with them and engage in their PVR measures will tend to cross-pollinate one another in terms of ideas, leading to new and improved 'best practices' throughout their business network:

*"If we are starting a new piece of work and we want to know: 'has somebody else done this?' So - let's be honest - so we can nick their work and see if it'll work here (...) it's helpful that you are not just starting completely from scratch. Somebody else has been there before me. Its tried and tested (...) that is what sharing is about" (Interview 37, HR manager, HE organisation, 30.10.2017).*

The simplest way BITC and Stonewall might facilitate cross-organisational learning is simply by picking up the phone and putting different organisations directly in contact with one another so that they may share their ideas on responsible workplace practices:

*"We try to enable networking within the organisation. So, if people come to us saying:, 'We're after good practice in relation to this or that policy',*

*we will put them in touch with other members who may be in a similar position or who we would regard as having good practice" (Interview 11, advice, policy and research specialist, ENEL, 3.3.2015).*

Several respondents from member firms said that they appreciated how BITC and Stonewall would facilitate cross-organisational learning between them and other firms:

*"I can now ask [name of account manager] whenever I have any questions, and she can put me in touch with another firm. And, that is something that I really love about this area of work. I do not care if someone pinches our [piece of work] (...) I am happy to share what we've done" (Interview 52, CSR manager, law firm, 16.1.2018).*

Many of the member employers expressed a willingness to share the PVR measures that they had already developed:

*"[When] a new organisation that approaches them [i.e. Stonewall]; they might put them in touch with me and we'll start to have a relationship. (...) We would share policies, blogs, and communication tools. Things that we can send out to others so that they can use them sends out a positive message. That is the bit about not reinventing the wheel" (Interview 47, director, governmental organisation, 20.12.2017).*

This led, in many cases to the dissemination of new policies and practices. Especially my interviewees from cases study 7 said that they had both disseminated their policies to other firms, as well as copied policies and practices from others:

*"For instance, our Allies' scheme has been quite successful. And I have quite happily shared our publicity and ethos around that. And, I have seen very similar kinds of things pop up (...) Later, we had a member of staff get in touch saying that the University has an adoption policy, but it doesn't have a surrogacy policy. Is this something that the University would consider doing? (...) so, we asked: (...) 'who is already doing it?' Now, we have an adoption and surrogacy policy that allows the same amount of leave. Both which are more than the statutory allowance" (Interview 37, HR manager, HE organisation, 30.10.2017).*

Another way in which BITC and Stonewall foster cooperation and build networks is through member events, congresses, gala dinners, award ceremonies, conferences, or workshops. Here, they can actively make introductions and grow their

business networks and potentially disseminate effective methods to improve labour standards:

*“Our power to convene through our events and the awards and the gala dinner. One of our aims as a responsible business network is to bring businesses together and share good practice and to learn and move the agenda forward” (Interview 51, corporate advisor, BITC, 16.1.2018).*

Events were repeatedly emphasised as a good way for firms to organically establish links and potentially start learning from each other:

*“People just love the informal conversation, the buzz of mixing with each other. (...) They can provide each other with all sorts of ad hoc informal peer support. (...) that is a big benefit of lots of people being face-to-face, and the synergies you get from that and the contacts that you make from it” (Interview 25, strategic manager, EfC, 2.8.2016).*

Many of the member employers of BITC and Stonewall confirmed that they did not mind sharing their policies with others and that they would happily facilitate the sharing of information:

*“We have done a lot sharing of good practice via Stonewall. It is one of things that they really encourage (...) we are giving away a lot of what makes us successful as an organisation. (...) It’s about sharing with people and other people share with us” (Interview 44, head of assurance services, HE organisation, 21.11.2017).*

There were countless examples of member firms who had either directly copied, or altered and imitated, or been inspired by other member firms’ policies and practices. For instance, interviewees from my case study 4 said that their most effective ‘responsible business’ programme on “fair and equal access to quality work experience for students” (Interview 52, CSR manager, law firm, 16.1.2018) had come directly from another BITC member. That other firm had invited them to an event in London to share their notions of best practice. This lead directly to the initiation of their own project:

*“We have made the commitment that half of the students we take have to be from a family where they are the first of their family to go to University. That was set up in 2013 and has been very successful. With a lot of good feedback form students and parents” (Interview 52, CSR manager, law firm, 16.1.2018).*

## Coordinated engagement

*“Stonewall has facilitated cooperation in terms of providing introductions. But beyond that, they are only really there as a bit of a trouble-shooter. They are not really facilitating the conversation – it is up to the organisations to coordinate” (Interview 89, director of HR, public organisation, 22.2.2019).*

Instead of emphasising the role of BITC and Stonewall to convene between member firms, some respondents instead emphasised their own power and agency, as members, to create links, foster relationships and directly launch cooperative projects with other firms:

*“Cooperation is something we do ourselves. Stonewall might occasionally send out an email and say this is a good idea, come along to this event. But the cooperation is entirely facilitated by us. (...) They provide an opportunity to network; but the responsibility to take that forward rests with the individual members” (Interview 89, director of HR, public organisation, 22.2.2019).*

In fact, my findings show that particularly the members of BITC carry a lot of responsibility and agency, extending beyond their relationship with other members, to the point where some considered BITC to be, in fact, a member-led or member-driven organisation:

*“We’re very employer-driven as well. So, when we’re sitting devising our strategic plans, there’s huge consultation with our member base. (...) We very much work in concert with our employer-base” (Interview 15, team director, BITC, 4.6.2015).*

This is true, above-all for BITC’s ‘Premier members’, ‘Leading Members’ and ‘Campaign Champions’, and for Stonewall’s ‘Star Performers’. For instance, according to Stonewall’s website, those organisations with a ‘Star Performer Status’ have continuously demonstrated their commitment to LGBT equality and taken on a leadership role in the Stonewall network:

*“Over the last eleven years, eight of our 700 organisations have consistently demonstrated their unwavering commitment to achieve workplace equality. These Star Performers are now part of an exclusive group working with Stonewall on bar-raising initiatives that define best practice for tomorrow.” (Stonewall, 2015, Top 100 Employers).*

Some firms have thus chosen to take a lead by communally creating formal joint projects. Several interviewees indicated that these coordinated projects are often more successful than isolated projects as they can create a wider reach and have a greater impact on labour standards:

*“Let’s do a joint networking meeting, let’s get some funding together to do a joint project. It’s those informal networks that can then become formal projects. And that is one of the big benefits” (Interview 34, head of policy and communications, governmental organisation, 16.10.2017).*

In fact, the following statement is one of the two things members of BITC sign-up to, according to its website is:

*“Join with other businesses to bring together their collective strength and be a force for good” (BITC Cymru 2020).*

The networks of BITC and Stonewall can potentially assist firms in coordinating their approaches with other businesses, rather than each firm just doing some good stuff on their own:

*“You know, we could just work with some schools on our own. But with our work with five schools, we are part of a movement that engages with 81 schools in deprived areas around Wales, that is so cool” (Interview 59, CSR manager, building society, 2.2.2018).*

BITC has several projects whereby firms can collectively engage on a project, such as for instance ‘Business Class’:

*“We have gotten more value out of it through things like ‘Business Class’. We had tried to partner with schools for a long time. Largely due to the schools where it was difficult to get them to engage. Business Class meant that BITC helped us identify a set of schools we could look at that aligned with us. And that partnership with [school name] has been fantastic (...) having an intermediary can help you find the right organisations” (Interview 63, senior partner, law firm, 6.3.2018).*

Another, salient example of a project that is facilitated by BITC are the so-called ‘Give and Gain Days’ where many firms participate simultaneously:

*“In this kind of project, there’d be about ten people involved and one of them would be a team leader, so in this room we give them team leader training, like how to deliver a successful project (...) and then they get on*

*with the projects themselves really” (Interview 5, community project worker, BITC, 19.7.2013).*

While these projects are facilitated by BITC, other projects are entirely organised and facilitated by the member firms themselves. In fact, several of the cooperative projects that members had set-up were then in turn used by BITC and Stonewall, thus creating a synergistic feedback-loop of cooperation. For example:

*“Last March, we set up the ‘South Wales LGBT Chairs Network’ (...) we’ve got a range of people there. Stonewall come along and will say what is going on. But that has been entirely independently led and set up. And actually, what is happening now is that they will then suggest [to new members] for them to come along to our meetings. So, they are using the framework that we’ve setup” (Interview 89, director of HR, public organisation, 22.2.2019).*

This network was mentioned in several interviews and was highlighted as a prime example of member-led cooperation which focused entirely on the sharing of best practice:

*“On the back of the Stonewall network, we’ve set up a public sector equality network. (...) we come together and ask what the others have done here or there. That is another way that we share with people. And, we met through Stonewall seminars, but those are not enough for us to satisfy all of the other things that we want to share with one another” (Interview 56, diversity and inclusion manager, governmental organisation, 25.1.2019).*

*“The chairs network here is South Wales – they’re entire purpose is to share best practice. There is no prestige to it. Everyone is welcome and the purpose is simply to: ‘Make things better’. The emphasis is to share experience and build capacity” (Interview 91, programmes officer, Stonewall, 3.5.2019).*

### 6.2.2 Self-congratulatory façades

*“There is a danger with those sorts of events that they can become self-congratulatory instead of constructive. My feeling is that the events I’ve been to haven’t been quite as challenging or constructive as they could be” (Interview 63, senior partner, law firm, 6.3.2018).*

Despite the promising story that member cooperation is a mechanism of raising labour standards facilitated by BITC and Stonewall, my empirical findings show that there are three significant risks which potentially limit the actual impact on workplace practices. First, interviewees explained that there is a danger whereby cooperation between firms on occasions leads to a false sense of self-congratulation for those employers who participate in PVR, while the impact on labour standards is in fact minimal. Second, networks might become exclusive to certain firms, excluding others who might try to engage with the issue. Finally, business networks might be attracting those employers who are already engaged and thus have a much weaker influence on labour standards than one might assume at a first glance.

### Network prestige

*“Collaboration can at times become very elitist. Even with Stonewall where the Top 10 [of the WEI], or all the banks or all the local governments – they form these little clicks. But they do not actually focus on joint working or best practice” (Interview 91, programmes officer, Stonewall, 3.5.2019).*

Despite the above-mentioned examples of firms, who claimed to improve their labour standards through the network information dissemination, cross-organisational learning and coordinated engagement, many of my interviewees highlighted the risk of member collaborations becoming elitist. Some of my interviewees suggest that the focus of these business networks might at times not be on raising labour standards, but instead merely on the self-interest of firms in getting access to prestigious networks for reasons of self-promotion or to make sales and win new contracts:

*“The organisations that came to the event, were ones that we would want to be engaging with. So, from selfish point of view: ‘Perhaps we could sell to these people.’ We saw it as a potential commercial opportunity” (Interview 60, managing director, IT firm, 9.2.2018).*

In these instances, the aim of those businesses who create cooperative networks are to improve their brand image and impress customers, employees, or other businesses, rather than improve workplace policies and practices as a goal in

and of itself. Perhaps most telling was that even one of BITC's own managers said that he was cynical about why some businesses choose to join BITC, indicating that it might be a superficial desire to gain access to their business network:

*"Personally, I am quite cynical why some businesses join. Some companies join because they want to be part of the club" (Interview 54, events and communication manager, BITC, 17.1.2018).*

While the sharing of best practice and ethical management still featured as an aspect of cooperation in these instances, my interviews show that might only be by-product rather than the central focus, as indicated in the following:

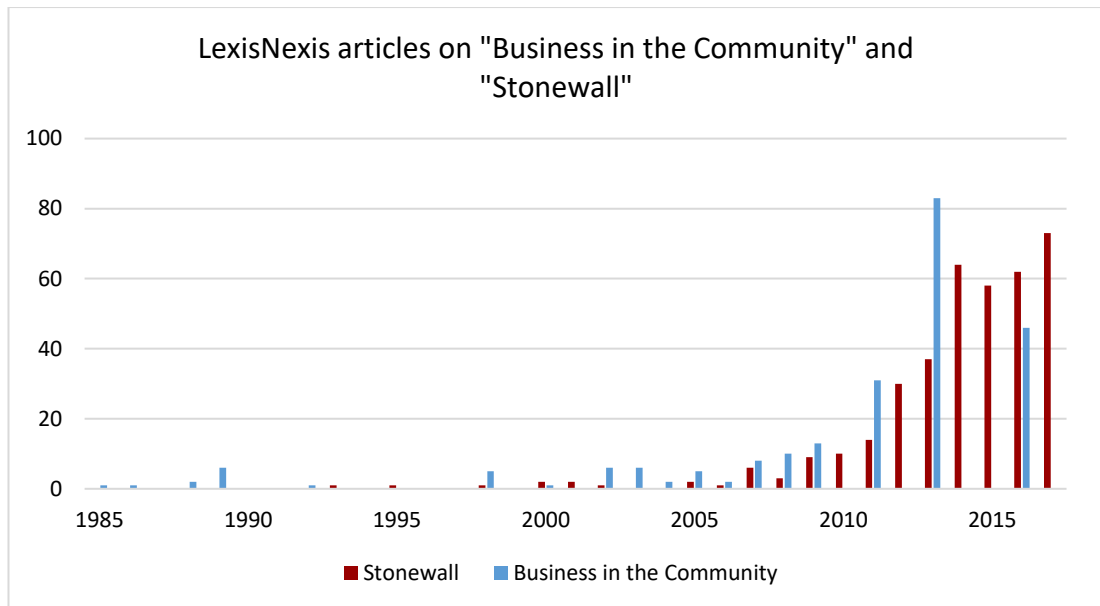
*"It's about mingling with the type of people we want to be mingling with. Sharing advice, sharing experience, and raising our profile, and perhaps opening doors that we might not have access to on our own" (Interview 60, managing director, IT firm, 9.2.2018).*

In turn, BITC and Stonewall, made explicit efforts to be viewed by employers, the public, and policy makers as important players within their substantive field of CSR and LGBT equality with extensive influence and strong networks:

*"We have quite a few senior people involved in our boards and leadership team. So, we ask them to make introductions and for them to use their experience to help convince other people of why it's good to be engaged and involved" (Interview 32, director, BITC, 17.8.2018).*

My findings suggest that both Stonewall and BITC are successful in building recognisable brand images as business-networks. For instance, an indication of the growing importance of the brands of BITC and Stonewall can be observed by the descriptive analysis of the numeric development of online articles that are present on LexisNexis (see Figures 7.2). Although this is certainly related to the general increases in publication of online articles throughout the 1990s, 2000s and 2010s, it also tells of an increased significance of BITC and Stonewall over the observed years from the 1980s until the present.





**Figure 7.2:** Numerical development of LexisNexis articles on BITC and Stonewall.

The LexisNexis analysis confirmed that Stonewall and its campaigns, such as the slogan ‘Some people are gay get over it!’ were widely recognised by people in the media and the wider public, and the WEI’s Top 100 Employers was portrayed in many of the online articles as an influential organisational benchmark. The pink logo of BITC and its association with the Prince’s Trust was also described as prominent by respondents. My findings do indicate however, that there are significant qualitative differences in terms of what the brand images of BITC and Stonewall communicate. Interviewees suggested that BITC’s brand is much more one of business prestige. It is associated with many private sector giants with big budgets, famous CEOs, politicians, and elite business circles:

*“I am constantly impressed by the level of business and seniority of people that come to our events. It is a very influential network. (...) A strength of ours is the power to convene and to give organisations that peer-to-peer experience” (Interview 41, director, BITC, 15.11.2018).*

Moreover, one of the strengths of BITC which was frequently mentioned is the breadth of its network, allowing their member organisations to convene with a wide variety of organisations from different sectors, geographical locations, and sizes:

*“Most of these companies will be part of the CBI, FSB and that’s great and it gives them a huge number of benefits but we’re bringing people across those different networks and places. (...) Our ability to sit in the*

*space between business, community and government is fairly unique” (Interview 32, director, BITC, 17.8.2018)*

*“We work with all businesses, all sizes, (...) it’s an opportunity for smaller businesses to rub shoulders with some of the larger businesses” (Interview 42, account manager, BITC, 15.11.2017).*

My interviews with Stonewall representatives and interviews with their member firms showed that network prestige is of lesser importance to them. Instead Stonewall’s network is more tightly aligned to its purpose of promoting LGBT equality. Nonetheless, cross-organisational engagement still played a significant role for some in deciding to become Stonewall members:

*“[We decided to become a member] to grow our database, promote our programmes and act as an engagement function” (Interview 35, business relationship manager, HR organisation, 25.10.2017).*

### **Network exclusivity**

Another potential danger in the context of cooperation is that the networks of BITC and Stonewall may have become so dominant in their respective fields of CSR and LGBT inclusion that it may have become difficult for businesses to even be considered part of those movements without becoming part of their specific memberships. This could result in a network exclusivity and potentially (inadvertently) may limit the effect that PVR could have on labour standards.

*“Funnily, given that we were doing so much in the community, it was a shame that we couldn’t tick that box [before we joined BITC], because we were already doing lots” (Interview 52, CSR manager, law firm, 16.1.2018).*

Interviewees highlighted that this potential danger also reaches employers within the network, as some interviewees somewhat disapprovingly suggested, that there is an aspect to the business networks and their awards that is exclusive and money-dependent:

*“Sometimes you have to be a sponsor to win an award. An observation from BITC awards, is that they seem to be very focused on the programmes that they run. If you’ve created a great bespoke programme – we have the [name of programme] which has been a huge*

*success – but did not get any recognition for that” (Interview 62, head of communications, law firm, 6.3.2018).*

These quotes demonstrate that cooperative business networks might not necessarily be doing what it says on the tin – namely to improve labour standards with regard to a specific issue. Instead, these collectives might have taken on a life of their own and in fact inadvertently exclude those firms who are focused on the relevant practices but choose to not be part of the network.

### Preaching to the converted

*“Stonewall and BITC (...) are reaching those who are already convinced” (Interview 89, director of HR, public organisation, 22.2.2019).*

A final danger that was highlighted by my interviewees is that Stonewall and BITC might potentially be reaching and conglomerating those companies in their networks which are already convinced of PVR, and therefore potentially not having the claimed profound effects on labour standards since these companies engage in PVR in any case. For instance, an interviewee from my case study 8 pointed out:

*“Would we still be doing these things without organisations like Stonewall or BITC? Yes, I think so. But they all provide us with a very useful framework to work through” (Interview 89, director of HR, public organisation, 22.2.2019).*

Nonetheless, as indicated in the quote, the service of BITC and Stonewall might still be valuable in the sense that it provides members with a useful framework for engagement.

## 6.3 Linking interactions

This final section answers the question which lies at the intersection of the two modes of member interaction; namely: ‘How do competition and cooperation relate to one another?’ For this I first highlight my findings surrounding whether competition might undermine cooperation; and second whether cooperation and competition could mutually reinforce each other?

### 6.3.1 Competition undermining cooperation

*“Cynically, there is a risk that you do not cooperate fully, because you have that competitive edge. (...) The motivation of some organisations to compete might undermine their willingness to cooperate. So, they might be happy for others to share things with them, but they won’t want to share with others” (Interview 89, director of HR, public organisation, 22.2.2019).*

Several of my interviewees indicated that there were instances whereby inter-firm mechanisms of cooperation and competition could be opposed to one another. If organisations are competing with one another in the marketplace as well as in awards or benchmarks – would they really want to share best practice with one another? Some interviewees specified that this divergence might be more important in the private sector than in the public sector:

*“In the public sector, I guess I think: ‘Why would you not share?’ We all have the PSED. But in the private industry: ‘Maybe I would not want my direct competitors in my industry to get an insight into what we do and how we do it’” (Interview 89, director of HR, public organisation, 22.2.2019).*

Other interviewees reflected that the competitive element between firms could potentially lead to tensions or even frustrations:

*“That organisation was basically bragging at this event (...) and I guarantee that some organisations did feel alienated and pissed off thinking like: ‘What’s the point?’ So, if you brag, you are just going to wind people up. You won’t be helping anybody” (Interview 72, HR consultant, law firm, 13.4.2018).*

Another example where competition could undermine the cooperative spirit between members was with two interviewees from my case study 7, concerning a HE organisation that had hired an external equality expert to enter into the WEI to get a high ranking, and then had never showed up again, and also did not share any information or knowledge with other HE organisations. My interviewees were extremely critical of this exclusively competitive attitude (and potentially market driven approach) which undermined – in their view – the cooperative ideals

surrounding the community atmosphere within Stonewall's membership. One of the interviewees explained:

*"We were all a bit frustrated. (...) It was almost as if to prove that they could do this. But I doubt that there is any continuity there" (Interview 44, head of assurance services, HE organisation, 21.11.2017).*

### 6.3.2 Balancing competition and cooperation

*"There is a healthy balance between the cooperation and competition (...) we have a very close cooperation, a very close sense of sharing best practice. (...) There is also competition. Everyone wants to be at the top" (Interview 89, director of HR, public organisation, 22.2.2019).*

Despite the above-mentioned tensions between competition and cooperation, the vast majority of my interviewees argued that these two forms of member firm interactions could comfortably coexist and, in fact, even reinforce each other. For instance, several of the public sector bodies set up a Chairs' network to exchange on issues of LGBT equality:

*"We work well together by sharing things and not re-inventing the wheel. With the index, there is that element of competition; friendly – well, mostly [laughs]" (Interview 56, diversity and inclusion manager, governmental organisation, 25.1.2019).*

Some contended that the proximity which resulted through intense cooperation could intensify the sense of competition and vice versa; thus, suggesting a mutually reinforcing nature of these forms of interaction:

*"Collaboration and competition are not mutually exclusive. The one can breed the other" (Interview 91, programmes officer, Stonewall, 3.5.2019).*

## 6.4 Chapter summary

My empirical evidence demonstrates that the interaction between the member firms of BITC and Stonewall is a significant process in their deployment of PVR. Both BITC and Stonewall actively make use of cooperative as well as competitive mechanisms to induce their member firms to voluntarily improve their workplace policies and

potentially change their practices. However, while each organisation uses both forms of interaction, Stonewall's emphasis is on competition, while BITC favours cooperation. These choices of interaction have a significant impact on the way in which PVR operates and affects its effectiveness in shaping and influencing labour standards.

Stonewall's benchmarking tool, the WEI, and to a lesser extent BITC's Responsible Business Awards, are two prime examples of competitive PVR tools. Member firms from BITC and Stonewall use the respective tools to self-monitor their own EDI and CSR policies and practices, while competing both with their own previous scores, as well as with other participating firms. Participating businesses are encouraged to measure, and demonstrate through empirical evidence, the changes they have made to their own policies and practices. Through a process of comparison to other organisations, they are incentivised to improve their labour standards in accordance with evolving standards of 'best practice'. Yet, there are significant differences in the effectiveness of BITC's awards and Stonewall's benchmark in raising labour standards. The WEI demands much more in-depth answers, as well as specific evidence to each and every one of its 72 questions (in the 2019 version). Contrastingly, the Responsible Business Awards are much more superficial and less demanding. Firms can choose what part of a particular programme they want to share with the award panel which can, in turn, lead to a highly curated submission, wherein certain PVR practices might have been embraced and yet their effects might be relatively isolated and piecemeal. While both the tools from BITC and Stonewall also celebrate success, the focus on awards poses proportionally greater risks. This is because many firms seem tempted to focus entirely on their public image rather than on improvements to labour standard. Additionally, the lack of scrutiny with which the voluntary evidence for these competitive tools are assessed and the artificiality of the scoring mechanisms might potentially lead to weaker changes to labour standards than BITC (and to a lesser extent, Stonewall) might hope.

In addition to competition, BITC and Stonewall are tapping into and encouraging cooperative relationships between their member firms with the aim of sharing best practice standards. Especially BITC and its member firms have managed

to create a sophisticated and wide-reaching business network whereby information is disseminated directly towards all of the participating member firms. Additionally, businesses can learn from one another through cross-organisational learning, and in many instances, coordinated programmes have been established. My empirical findings highlight, however, that these business networks can at times risk merely remaining a self-congratulatory façade that excludes other interested parties or only reaches those firms that are already convinced of PVR.

Some of my respondents highlighted the danger of competition undermining member firm's potential to cooperate with one another. However, most of my research participants argued that competition and cooperation might not only co-exist harmoniously but could mutually reinforce one another. To sum up, competitive and cooperative interactions between the member firms of BITC and Stonewall can, especially in conjunction with one another, produce deep-rooted effects on the labour standards of member firms; yet, both interactive mechanisms must be scrutinised against the potential of remaining superficial and tokenistic.

## CHAPTER SEVEN: Governance

The purpose of this seventh chapter is to present my empirical findings concerning my third and final independent variable, namely the governance of PVR by the member firms of BITC and Stonewall. My findings indicate that the member firms, including my 10 case studies, use two principal ways of governing PVR. First, employer-managers can utilise their power and agency to strategically embed and implement new or amended policies and practices from the ‘top-down’. Second, mid-, and lower-level employees can actively take ownership of PVR and attempt to leverage changes into their firm’s workplace policies and practices from the ‘bottom-up’. These two governance strategies are not necessarily mutually exclusive, however. Below, I unpack my findings surrounding top-down and bottom-up governance of PVR within firms and their respective advantages and disadvantages in effectively impacting labour standards.

It should be noted that in contrast to the previous two chapters, here the central focus – with few exceptions – remains primarily on the agency of the member firms themselves, rather than on their membership organisations BITC or Stonewall, who only have a comparatively minor influence on how PVR is governed within each business. Thus, the findings in this chapter are more closely focused on interviews with representatives from my ten firm level case studies and the member firm surveys.

### 7.1 Top-down governance

*“The higher up the food-chain and the more powerful that individual is, the greater the chance that the change gets implemented (...) that is applicable to anything within an organisation” (Interview 61, head of CSR, investment firm, 15.2.2018).*

*“When it’s driven from the top, it becomes easier for the organisation to ‘live it’. It can become part of the ways of working which can then also affect who they recruit, who can keep that message going. Not just as an add-on. You see consistent, meaningful change that is implemented” (Interview 91, programmes officer, Stonewall, 3.5.2019).*



This section discusses the top-down governance of PVR through high-level managers, board members and employers, and how this can result in PVR becoming on the one hand: strategic and effective, or on the other hand: tokenistic and weak.

### 7.1.1 Strategic PVR

*“The most significant issue is having a board that fundamentally believes in the importance of inclusion” (Interview 89, director of HR, public organisation, 22.2.2019).*

One of the most frequently mentioned issues in interviews with my firm level case study representatives regarding how to effectively govern changes through PVR activities, was that board members and business leaders must actively use their power and agency to create improvements of labour standards in their firms. Most prominently, each of my five interviewees from my case study 8, a public sector organisation, explicitly highlighted the importance of strategic leadership in achieving wide-ranging changes through PVR activities:

*“The board need to be seen to be supportive. They need to take this seriously. And provide the time and space and resources. They do not need to be there for every step. But they do need to walk the walk” (Interview 67, director of HR, public organisation, 7.3.2018).*

These interviewees explained that their apparent success in creating wide-ranging shifts in their organisational practices was explicitly attributed to the top-level governance and, most importantly, to the chief executive officer of the organisation:

*“Our current Chief Exec [name] absolutely gets and understands why equality and fairness is important. (...) Having a board sponsor can provide an open door and access to various things that would not have been there previously” (Interview 67, director of HR, public organisation, 7.3.2018).*

The top-down governance of PVR within firms carried three distinctive advantages in terms of effectively raising labour standards which are highlighted below.

## Organisational value alignment

*“Where the values are congruent with the business-values and the missions and vision, then you have alignment, there needs to be alignment from the top of the organisation” (Interview 73, HR director, law firm, 4.5.2018).*

*“It runs right through and is embedded into our organisational ethos, our cause” (Interview 48, equality advisor, public organisation, 21.12.2017).*

The most significant advantage that was highlighted repeatedly by many of my firm level case study respondents surrounding the top-down governance of PVR is that employer-managers could ensure that their firms’ organisational vision, mission and values are directly in line with their PVR activities. This, they argued, helped to ensure that PVR had a stronger effect on labour standards:

*“The organisations that are most successful at creating changes on the ground are the ones that manage to get the culture changes embedded into their organisational values and their ways of working” (Interview 91, programmes officer, Stonewall, 3.5.2019).*

For this to happen, however, interviewees highlighted that organisational leaders must not merely pay lip-service to, but should authentically *live* the values and mission statements of their organisation. Top-down driven changes through PVR, several interviewees argued, were most effective when employer-managers were convinced on a personal level of the value of those changes:

*“Most of the Chief Executives were born here, lived here, their kids go to schools here (...) have lived here for a long time. They are passionate about their community” (Interview 14, director, BITC, 1.6.15).*

Two organisations where interviewees frequently emphasised the formal embeddedness of values into the organisational ethos are worth highlighting: the consulting firm (case study 1) and the building society (case study 2):

*“We’re (...) looking to make a positive impact on social challenges. That is written into our constitution, that is part of our DNA. (...) This is part of our identity and part of the way that we run strategies and operations” (Interview 40, director, consulting firm, 8.11.2017).*

*“That is our ethos. (...) Doing the right thing should be in everything we do” (Interview 59, CSR manager, building society, 2.2.2018).*

The interviewees from these two case study organisations explained that the integration and embeddedness of PVR through top-level management could potentially have a strong effect on labour standards and ‘getting things done’; as one of interviewees declared:

*“There is a very strong workplace culture, it’s like a family. It means that we can just go ahead and do things, where other companies might spend months and months planning it, we can put our mind to things and get them done” (Interview 59, CSR manager, building society, 2.2.2018).*

They argued that strategic top-down governance in the implementation of PVR could lead to an institutionalised shift and ensure that changes are embedded and formalised within the firm, thus becoming part of the organisational DNA. Interestingly, one interviewee explained that a part of demonstrating her commitment to her firm’s values and embedding change was simply to become a member of BITC:

*“If we say that our values are X. They are not real unless we do something about that. So, becoming part of BITC might be a way of saying: ‘Let’s do something more than what we have written on the wall. Let’s translate them into activity. Let’s think about what that means in practice for the things that we do, which community projects we get involved in’” (Interview 40, director, consulting firm, 8.11.2017).*

Another important dimension of organisational value alignment surrounds the type of language and discourse organisations use, particularly in their policies. For example, an interviewee from my case study 10 explained that:

*“Recently one of our members of staff left for her maternity leave, she just had a child with her wife. And that will tell the other lesbian staff in the organisation, that they can have co-parental maternity leave as a woman. So, it’s also about the change in language from being masculinised of paternity leave to the co-parent. Because it does matter, if a woman takes ‘paternity leave’, it just doesn’t sit right” (Interview 56, diversity and inclusion manager, governmental organisation, 25.1.2019).*

Another interesting aspect of this is that all of my ten case study organisations said that they had joined at least one other membership organisation, and in fact most of them, including this example from case study 5, had joined more than three groups:

*“We are living wage employers, (...) we are ISO 41001 accredited. We are founding members of the legal sustainability alliance (...) We also have a very active ‘Be Sustainable’ group (...) we are Stonewall members” (Interview 52, CSR manager, law firm, 16.1.2018).*

### Incremental changes

*“What we concentrate on is: ‘Change that works, change that can be achieved.’ Yes, that is sometimes tiny steps, but those tiny steps have been going on for 30 years and we see a difference in the workplace” (Interview 39, director, Stonewall, 7.11.2017).*

My interviewee respondents suggested that when employer-managers continuously implement incremental changes to policies and practices from the top-down – albeit initially often seeming relatively small and superficial – eventually, these would drip-feed and compound into the organisation’s institutional setup and culture:

*“Over the last ten years, it has been a drip-feed. Doing something for LGBT history month, or Pride, or creating fact sheets, or new policies” (Interview 56, diversity and inclusion manager, governmental organisation, 25.1.2019).*

Five of my six interviewees from this governmental organisation (case study 10) highlighted that they felt that their organisation’s leadership had continuously implemented very small, yet visible changes from the top-down and that this had cumulatively, over time, impacted firm’s labour standards:

*“People have their signs on their desk. We have a photo taken at least once a year with the rainbow flag. (...) It sounds all a bit trivial, but these little things do matter (...) all of those things add up and feed into our culture here” (Interview 71, head of legal services, governmental organisation, 12.4.2018).*

According to my findings, my case study 10 has been extremely successful at governing changes to workplace policies from the top-down and then translating these into changes of practices on the ground. This was highlighted by various

employees whom I met at different events (e.g. participant observation, event: 'Panel BAME LGBT', 5.10.2017), by several of my interviewee respondents, and is also indicated by the fact that this organisation has managed to continuously place in the top 10 of the WEI in recent years. Particularly, interviewees repeatedly emphasised that one of case study 10's top-level directors had driven positive changes within the organisational culture:

*"He [the director] invested quite a lot of time to pull everything together and make a commitment to support each of the networks in the organisation (...) and as a result, we sort of kicked things off. (...) He required the senior members of the organisation to really step-up and be supportive. (...) You need that commitment from the top of the organisation. That is one of the key things" (Interview 46, education and skills manager, governmental organisation, 20.12.2017).*

This director explicitly highlighted that their success was based on using an incremental approach to change, which had been intentionally and strategically implemented with the aim of creating an ideational shift in the organisation:

*"We took a very incremental approach to inclusivity, year by year. So that it was not 'in-the-face' of the rest of the organisation, who might have otherwise thought we'd gone a bit LGBT-mad. Instead, we took small steps every year to make improvements" (Interview 47, director, governmental organisation, 20.12.2017).*

He later emphasised that having the leadership of an organisation on board can help affect and implement change throughout the various operations of an organisation:

*"You really need that leadership sponsorship. (...) Otherwise, it will always stay a small network that will stay social and won't have the impact that you want it to have longer term" (Interview 47, director, governmental organisation, 20.12.2017).*

The director also explained that in contrast to 'incremental change', he viewed 'radical change' as something which could potentially be problematic. For instance, he felt that if EDI managers were too confrontational or bold that this might be an indication that there were problems within the organisation. He explicitly favoured having a mellow movement, which he interpreted as a positive indication of a good

workplace situation where people already feel accepted and thus, little need to advocate changes:

*“There are people here that are openly LGBT, but they are not in the network. In fact, if we had a network that was more active and was pushing for lots of improvements, then that might be a sign of concern. Here, nobody is pushing for improvements” (Interview 47, director, governmental organisation, 20.12.2017).*

Another important aspect that was highlighted by several interviewees in the context of case study 10 is the visibility of change:

*“The constant visibility – that leads anyone that joins this organisation to think: ‘This is just what we do. This is the way it is. It is a place where you can be LGBT or any of the protected characteristics and this is a safe place for you.’ It becomes ingrained into an organisation. So, even if you do not share those values, you realise that, you have to leave that at the door” (Interview 70, interpreter, governmental organisation, 16.3.2018).*

*“We had these signs that people could put on their desk to make it more explicit and visible. And if anybody that joined the organisation (...) they might walk into an office and see all of these ally signs and because so many people are allies. It completely normalised that: ‘Of course, we are accepting.’ That was a striking, visual way of showing, who the allies were” (Interview 70, interpreter, governmental organisation, 16.3.2018).*

The visibility of change is also inherently connected to the dissemination of messages that are related to the organisation’s PVR strategies and policies which were argued to have a strong effect on organisations’ ethos:

*“Our showers and facilities have been turned into gender neutral facilities. (...) Just in terms of visibility, when people go to the bathroom, people will notice it and that will provoke thought. (...) Constant reminders that this is a place that is meant to be inclusive” (Interview 70, interpreter, governmental organisation, 16.3.2018).*

While the incremental approach is obviously carried out within each, individual firm, it should be noted that several Stonewall representatives explicitly supported this top-down governance strategy:

*"We concentrate on change that works, change that can be achieved – yes that is sometimes tiny steps, but those tiny steps have been going on for 30 years and we see a difference in the workplace" (Interview 39, director, Stonewall, 7.11.2017).*

*"By making small, slow amendments it changes cultures. But it can take a long time. Those at the top of the index have been often working at it for years" (Interview 57, programmes manager, Stonewall, 29.1.2018).*

### Tactical changes

*"I would not give my crew time to go and paint a school. A decorating company should do that. I say that they should use their own skills. So, 20 of my colleagues are directors or trustees of voluntary organisations which is a really good use of a lawyer's time. So, they can come in and do something really neatly and quickly which is high impact and good for the organisation" (Interview 74, senior partner, law firm, 12.3.2018).*

Interviewees from across seven of my ten firm level case studies highlighted the importance of employer-managers to govern their PVR efforts in a strategic and result-oriented manner. The above example is from a law firm where a senior partner was convinced that the voluntary community work from his business would best be used in specific programmes. He argued that businesses should be selective about the type of PVR activities they get involved in. Tactical top-down governance was also argued to ideally follow existing evidence:

*"The top-down governance might also follow with what the literature says: 'This works!'" (Interview 91, programmes officer, Stonewall, 3.5.2019).*

One of the most frequently mentioned ways business leaders could tactically effect change through PVR is the creation of specialist roles for specific activities, such as a HR manager, CSR specialist or equality and diversity manager:

*"I think it is very important to have a supportive person at the top of the business. (...) But you also need someone to do the legwork which would be me" (Interview 59, CSR manager, building society, 2.2.2018).*

*"For me of course it's my job" (Interview 52, CSR manager, law firm, 16.1.2018).*

My survey findings indicated that 25% of my firms affiliated to BITC formalised responsibility for PVR engagement in as part of an official role or job title (e.g. HR, CSR or EDI manager), the number was significantly higher for my Stonewall member firms at 82%:

*“There are also specific roles within the organisation, so say from a policy perspective, HR might have to develop the policies and implement it” (Interview 89, director of HR, public organisation, 22.2.2019).*

Membership organisations, such as BITC and Stonewall also emphasised that it was significant to ‘hit’ the member firms at the right level to achieve engagement:

*“We find the challenge it’s important to hit businesses at the right level. If you get a really senior top-line champion, they might be too senior. So, it doesn’t happen. They’ll say: ‘Oh yes! Fantastic initiative! Speak to my people! We’ll get it sorted!’, But they do not know the details of the budget. (...) Or you can go in too low with a sort of contact you meet at another event who really wants to champion, it but they do not have the seniority. (...) You’ve got to get the director of HR or whatever, to agree it’s in their budget” (Interview 25, strategic manager, EfC, 2.8.2016).*

Having or creating these specific roles, interviewees explained, helped the firm to formally commit to the issue and to set aside the necessary time, money, and other resources to achieve change. Individuals with ownership over EDI and CSR could tap into various opportunities to advance change, depending on their role. For instance, one communications officer pointed out:

*“It is useful for me being in internal communications because I can get things out there. I know the internal channels” (Interview 64, communications officer, public organisation, 7.3.2018).*

In contrast, 100% my BITC survey respondents said that the engagement in CSR was voluntary for people in the firm, yet volunteers received time off work. For Stonewall, the percentage was much lower at 36%. This formal recognition of PVR volunteers also has a positive effect on workplace practices. My interviewees explained that when volunteers were officially given time and responsibility to dedicate to PVR activities then this helped to ensure that the work was done in a more sophisticated way, and therefore the effectiveness of PVR increased.



### Providing a framework

*“What does Stonewall do? It provides us with a very helpful framework to work within” (Interview 89, director of HR, public organisation, 22.2.2019).*

While the focus of this chapter is predominantly on the agency of firms to govern PVR, in this brief section, I nonetheless briefly highlight those comments of interviewees which gave some importance to the strategic role of BITC and Stonewall, whose advice could at times contribute to the effective firm level governance of PVR:

*“BITC are really good at helping us making things more targeted. At making sure that everything we do is impactful” (Interview 59, CSR manager, building society, 2.2.2018).*

Interviewees highlighted that BITC and Stonewall were helpful in making their PVR more strategic and effective by providing them with a useful framework to work within:

*“Stonewall does have a say in terms of influencing how firms implement things. We help to guide them, and inform them, so that they are not just scratching the surface and creating real, effective change” (Interview 87, campaigns, policy and research manager, Stonewall, 11.1.2019).*

*“A key thing has been to use some of the principles developed by BITC. And the strategic framework that they use. We have been in to use that as a rapper of our own values” (Interview 63, senior partner, law firm, 6.3.2018).*

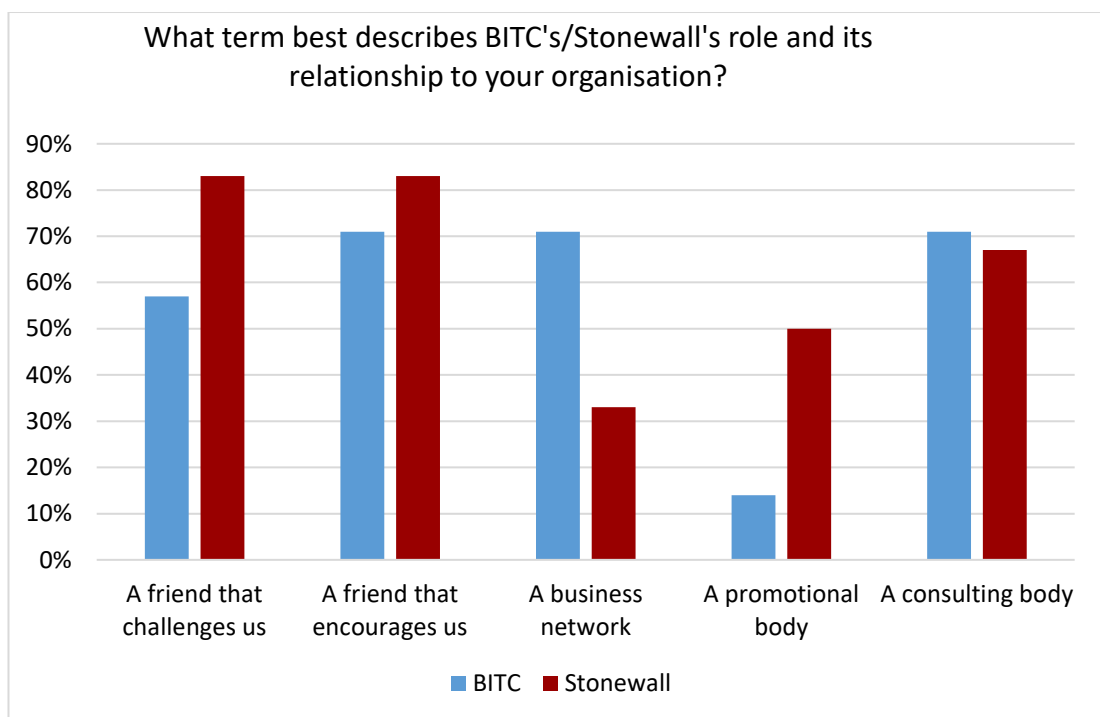
For instance, several interviewees explained that BITC and Stonewall could help improve the impact of PVR by helping them to target their PVR measures more strategically and focus their energy on the most deprived areas or most in need of help. BITC and Stonewall’s list of contacts and knowledge of ongoing projects and campaigns surrounding CSR and LGBT equality were particularly helpful for firms in targeting interventions to save money and time:

*“They do broker for us which saves us some time and planning. They can find what the key issues are, and they have a great database” (Interview 59, CSR manager, building society, 2.2.2018).*

It should be noted however, that many firms felt that without BITC and Stonewall they would still engage in PVR. In other words, although BITC and Stonewall's frameworks are very helpful, firms maintain the central agency in terms of governing PVR:

*"Stonewall provide firms with a helpful framework. (...) But if Stonewall did not exist – would [name of governmental body] be committed to creating a safe working environment? Absolutely, we would" (Interview 89, director of HR, public organisation, 22.2.2019).*

Figure 7.2 summarises survey results on how respondents viewed their relationship with BITC and Stonewall. Both BITC and Stonewall survey respondents indicated that their membership organisations took on roles as both 'an encouraging' and 'a challenging friend', as well as 'a consulting body'. However, the BITC members responded more frequently that BITC is 'a business network' and Stonewall member over-proportionately ticked the 'promotional body' option.



**Figure 7.1:** Member firm descriptions of BITC/Stonewall in comparison.

### 7.1.2 Tokenistic PVR

*"What I have seen are behaviours that contradict the claims. For instance, I remember having a permanent secretary who, officially, was supporting the Stonewall initiatives, but behind the scenes did not add-*

*up to the behaviours that were being expected of staff. So, staff then began to think: 'Hang on. These are just tick-box exercises.' And therefore, they would not take this seriously and not much would change on the ground" (Interview 89, director of HR, public organisation, 22.2.2019).*

According to my empirical findings there are three significant dangers that are associated with top-down governed changes to labour standards. Several of my interviewees pointed out that PVR could at times get implemented and governed from the top of an organisation in a tokenistic manner and that this would result in only very minute impacts to labour standards:

*"I think that there is some tokenism at times. There are those who will at times shout from the side-lines, saying: 'We are inclusive'" (Interview 87, campaigns, policy and research manager, Stonewall, 11.1.2019).*

The three dangers that are associated with tokenistic top-down governance of PVR are highlighted below.

### **Soulless change**

*"Without the individual drive – if it's just top-down driven, target-driven – then it can become soulless, heartless, just about the policies. It could fall into the box-ticking category" (Interview 91, programmes officer, Stonewall, 3.5.2019).*

The first danger associated with top-down governance of PVR that interviewees repeatedly emphasised is that some employer-managers might not live the values which they claim to propagate through their PVR activities. This is extremely significant as one interviewee claimed:

*"Companies are long shadows of their boards" (Interview 89, director of HR, public organisation, 22.2.2019).*

Those changes that result from top-down governance might at times lack a personal commitment and engagement:

*"There are those organisations who say: 'Well, now we'll have only gender-neutral toilets. And do this and that.' But it puts people on the spot and loses the meaning and the focus that this is about people" (Interview 91, programmes officer, Stonewall, 3.5.2019).*

These tokenistic changes carried the danger of not being effective in terms of raising labour standards, especially if the motivation behind the actions were solely tactical and strategic, but lacked the ethical aspect:

*“If anyone feels like this is tokenistic then it can fall apart. I’ve had that experience, where some of the push-back I’ve had, is that some people will say: ‘The only reason why we are doing this is so we can get grants.’ (...) they think you are only doing this because we are losing out on money” (Interview 91, programmes officer, Stonewall, 3.5.2019).*

Although many of my interviewees highlighted the dangers of tokenistic top-down governance, almost none of them provided me with evidence of this occurring in their organisations. The only exception to this was an interviewee who explicitly admitted that he saw it as an advantage that instead of needing to *do* anything in particular, becoming a member of BITC and being able to use their badge was merely an issue of simply ‘paying the fee’. This quote encapsulates the potential cynicism and tokenism of governing PVR through leaders that might not have fully bought into the issue and how this could result in superficial changes to labour standards or empty shell policies:

*“I thought we could use BITC’s logo in our literature. It was symbolic of a company that was interested in those issues. And, unlike other accreditations, you do not have to go through a difficult process. You basically pay to join and then you are a member. We were working with a client audience that would respond well to that (...) as a commercial imperative” (Interview 61, head of CSR, investment firm, 15.2.2018).*

### **Lack of implementation**

*“You can have a policy and not follow it. That is the danger with all policy versus reality” (Interview 40, director, consulting firm, 8.11.2017).*

Respondents also frequently highlighted lack of implementation as a potential danger of tokenistic top-down governance. In these cases, many of my interviewees contended, that PVR – or any form of regulation for that matter – remains a useless statement of intent without any significant impact on the practices within a firm:

*“Implementation of how those policies work, and how the policies translate into practices – that is what actually has an impact by*

*changing how people behave” (Interview 87, campaigns, policy, and research manager, Stonewall, 11.1.2019).*

Policies were nonetheless still widely regarded as extremely important. Yet, my interviewees often felt that firms need to move beyond policies in order to have a tangible impact on labour standards; thus, demonstrating the importance of sincere top-down governance of PVR:

*“You start off with the policy: ‘What do the organisation’s guidelines say?’ But actually, you leave the policies behind fairly quickly. And what they want to test is: ‘How have sexual orientation and gender identity issues been communicated across the organisation? (...) How has it shown its support for community LGBT events?’ I think there is an understanding that the policy is the bedrock” (Interview 37, HR manager, HE organisation, 30.10.2017).*

The danger is that firm managers might at times merely pay lip service to their PVR commitments, whereby the policies that they adopt are not implemented into organisational practices:

*“Any policy can sit on a shelf. It may talk about all sorts of things. (...) If that policy doesn’t see light, if it is not implemented (...) then it’s redundant” (Interview 87, campaigns, policy, and research manager, Stonewall, 11.1.2019).*

However, only one of my interviewees explicitly admitted that their EDI policy has so far not achieved the results it was apparently designed to achieve:

*“Top-down, policies might only reach so far from the top-down. We have an equality and diversity policy that was written in 2006 which was stuck on a shelf and never revisited. Nobody actually knows what it means. No one is living it or feeling the effects of it” (Interview 90, EDI manager, third sector organisation, 3.5.2019).*

Contrastingly, many other interviewees explained that in their firm policies had been used as a baseline to change practices and eventually even the organisational culture:

*“You have to have policies because they provide a baseline. But all that is, is a baseline. And actually, it is the engagement, it is the signposting and signalling from senior colleagues, and the work that the staff network does and the work the university does with the local*

*community which really makes an impact” (Interview 37, HR manager, HE organisation, 30.10.2017).*

Especially, my interviewees from my case study 10 emphasised repeatedly that the purpose of policies is to achieve organisational culture changes:

*“We have created culture change through training on inappropriate banter in the workplace and how to support your LGBT colleagues, making them aware of the policies, and through tweeting and writing blogs and factsheets. And that has changed the culture. Changing the policies is important, because they will see inclusive language there, although it is not everything, because many people do not look at the policies. But a tweet here and a blog article there will create an image, internally and externally, that we are an inclusive organisation” (Interview 56, diversity and inclusion manager, governmental organisation, 25.1.2019).*

### **Lack of dissemination**

A third and final problem associated with top-down governed PVR that my interviewees pointed out is that even when policy changes are implemented within the firm, these changes are not always effectively disseminated:

*“In [name of organisation], changes are being made centrally but are not affecting the wider organisation. Even if in the head office, they are flying the rainbow flag every day, and they’ve changed all their policies and they have gender neutral toilets, but the local branches in Wales are not feeling any effects of that” (Interview 91, programmes officer, Stonewall, 3.5.2019).*

I found that the danger of not disseminating changes to labour standards was particularly apparent in my large case study organisations, such as the professional services company (case study 6) – a very big firm. The programmes and policies which colleagues had developed in their central office in London had not – according to my interviewees – managed to effectively reach other, more remote branches or people of the corporation. Hence, this is another risk whereby top-down governed PVR might, at times, remain ineffective.

Similarly, without an effective distribution of ownership of implementing PVR measures throughout the organisation, employees might then associate their firm’s

PVR with that single person, group of people or site/branch, thus viewing these PVR changes as ‘their project’, and not as an organisation-wide issue. Thus, the average employee might remain disengaged and indifferent, as was pointed out in the HE organisation (case study 7):

*“That is partly my fault because I drive a lot of this stuff myself and then share it with them. Nobody feels like they need to own it” (Interview 39, lecturer, HE organisation, 7.11.2017).*

The same issue was highlighted when ownership remains situated with a person in HR and not effectively transmitted throughout the organisation:

*“If that responsibility only rests with one person in HR, then perhaps that will work from a business management perspective. But it won’t install that organisational ownership” (Interview 89, director of HR, public organisation, 22.2.2019).*

One senior partner emphasised the importance of disseminating PVR and redistributing the power, ownership, and agency of those PVR activities across different levels of the organisation, so that changes are not solely driven from the top-down:

*“If I drove it [responsible business] from the top, then I would have to come up with all the initiatives” (Interview 74, senior Partner, law firm, 12.3.2018).*

This points to the idea that employer-managers can potentially aim to encourage bottom-up governance of PVR:

*“Leaders should also give their staff ownership rather than telling them what to do based on hierarchical power” (Interview 87, campaigns, policy, and research manager, Stonewall, 11.1.2019).*

This hints towards the potential of PVR being governed not solely from the top-down or the bottom-up, but both simultaneously:

*“When you are trying to implement something, you need it to be owned at every level” (Interview 91, programmes officer, Stonewall, 3.5.2019).*

## 7.2 Bottom-up governance

*“It’s a lot more meaningful when it’s driven and owned by people from within the organisation than when it’s merely driven from the top” (Interview 91, programmes officer, Stonewall, 3.5.2019).*

In contrast to firms which choose to govern PVR from the top-down, other organisations are driving PVR-inspired changes from the bottom-up. In this section, I unpack the potential of bottom-up governed PVR to, on the one hand, be authentic and effective, or, on the other hand, to become aimless and ineffective.

### 7.2.1 Authentic PVR

*“When it is bottom-up, then the change puts people at its centre. Its people driven. It is more authentic and more responsive to the people involved (...) You are not trying to shoehorn anything and everything into the organisation whether it works or not. Instead you find out what needs to change on the ground-level, and you build up from there” (Interview 91, programmes officer, Stonewall, 3.5.2019).*

In several of my firm level case studies, certain individuals, groups of individuals or even the entire organisation were using their power and agency to drive change through PVR from the bottom-up.

#### Individual ownership

*“I fundamentally believe that it’s the people that make the difference” (Interview 61, head of CSR, investment firm, 15.2.2018).*

*“What we’ve got here is – we have people (...) who are absolutely passionate about this agenda. (...) They are idealistic. (...) They’ve got their own value-set. And we offer an opportunity for them to focus on and use their value-systems and get involved in something that they’re really passionate about” (Interview 14, director, BITC, 1.6.2015).*

Several of my firm level interviewees explained that changes to labour standards through PVR were often led by a single passionate and enthusiastic



individual from within a firm. A key term that was frequently used in the context of individual-driven, bottom-up governance of PVR is: 'ownership'<sup>26</sup>:

*"When you have someone who is energised, infused, who can take other people with them – then that is effective. (...) If you have a person who is emotionally charged, then they will be able to integrate change more successfully" (Interview 87, campaigns, policy, and research manager, Stonewall, 11.1.2019).*

Several interviewees across my different case studies claimed that ownership was inherently tied to a sense of pride in the organisation:

*"People say that it makes them feel proud of the business. (...) Ultimately, it's about that sense of pride and connection" (Interview 59, CSR manager, building society, 2.2.2018).*

*"It just makes us feel very proud and positive about ourselves and the company" (Interview 60, managing director, IT firm, 9.2.2018).*

One interviewee highlighted that it is important that the focus of the changes is in line with the firm, its values, and the concerns of its employees for those changes to effectively be 'owned' by people within the firm:

*"The key to changing something is finding something that you want to change. You need to find something that can get your staff behind you (...) It's not about building a well in Africa somewhere – that is not to say that that is not a good thing – but we do things that are closer to our homes and hearts" (Interview 72, HR consultant, law firm, 13.4.2018).*

In order to achieve successful changes to labour standards through an individual from within an organisation there needs to be an alignment between that person's values, beliefs, concerns and passions, and the issue that the organisation focuses on in terms of their PVR engagement. This person, interviewees explained, is typically someone who has a private stake in the game and is driven, on a personal level, to leverage change within their organisation. For instance, one interviewee explained:

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<sup>26</sup> Similar, to Dobbin's (2009) study on the feminisation of the HR profession, the focus here is on how various actors either did or did not exercise their agency to take ownership of their firm's PVR to shape and influence its impact on labour standards.

*"I know this woman [who is engaged with the BDF] because her son's got autism" (Interview 17, chief executive, BDF, 7.7.2015).*

One of the communalities among those who take ownership of their firms' PVR are their own personal background, their experiences, beliefs, and convictions:

*"My job covers all the other characteristics. But, it [LGBT] has also been an interest of mine. My master's degree was in gender, sexuality and human rights law" (Interview 56, diversity and inclusion manager, governmental organisation, 25.1.2019).*

Many of my interviewees indicated that this frequently led them to take responsibility and act within their firm. A similar example was given by a Stonewall member's respondent:

*"I am an openly gay man. I've worked in organisations where I did not feel comfortable to bring my whole self to work. But (...) [now] I am determined that if you want to be out in your workplace (...) you should be able to do so. (...) So, my interest in Stonewall is personal" (Interview 67, director of HR, public organisation, 7.3.2018).*

For BITC and Stonewall, the most important person whom they would ideally take ownership and responsibility for the firm's PVR is their 'main contact':

*"I think that there is a strong correlation between the commitment of the person who owns the relationship with the membership organisation like BITC and their effectiveness of engagement (...) [They] have a capacity to bring people on the journey with them or evangelise the staff" (Interview 61, head of CSR, investment firm, 15.2.2018).*

This person, several interviewees explained, could have a major impact on whether PVR change is successful or not in raising labour standards:

*"If in organisation A, the key contact is a charismatic, authentic, committed supporter of the BITC agenda; and in organisation B, you have someone who just treats it as his job. I would bet my last £5 that the impact in organisation A would be greater than in organisation B" (Interview 61, head of CSR, investment firm, 15.2.2018).*

My three interviewees from a law firm (case study 4) highlighted multiple times that ownership is key in achieving change within their organisation. In particular, one of the senior partners emphasised the importance of so-called 'business leaders'. However, by this, he did not mean people with high-ranking roles or titles, but people

with the capacity to successfully shape practices and change norms from the bottom-up:

*“The leaders have to be on that journey with you. (...) And by leaders I do not mean the board members (...) They can just be people who have leadership abilities. One of the great leaders and role models in this business doesn’t manage anybody. She is just awesome. She is glue. If she were against me on this, it would be difficult. So, if you want to do something, you have to win-over your leaders” (Interview 74, senior partner, law firm, 12.3.2018).*

### Employee networks

*“We think they [employee networks] are absolutely critical in terms of moving the needle. (...) All the employers that have moved [from the Stonewall membership], most have established network groups and used them effectively. (...) They have an internal capacity for getting things done” (Interview 13, previous director, Stonewall, 17.3.2015).*

The ownership of PVR within firms often extended beyond a single individual and towards voluntary, often extremely committed groups of workers that aim to collectively make changes in their firm from the bottom-up. Employee networks, such as LGBT networks, are particularly popular among the member firms of Stonewall. In fact, 100% of my Stonewall survey respondents reported to have LGBT networks in their firms and all three of my governmental organisations (case studies 8, 9 and 10) and also the HE organisation (case study 7) have active LGBT employee networks. It is only case studies 5 and 6, a law firm and a professional services company, that are Stonewall members and yet do not have an LGBT employee network. Interviewees explained that these networks provide LGBT people with a safe space to voice their concerns, discuss problems and support one another. The information that is gathered in the form of complaints, concerns or comments can then also be fed back to management and can help to shape and influence workplace policies and practices within the firm and make them more LGBT friendly:

*“The LGBT network was different because it was a group with its own identity, where people could go to be safe. They were able to put some pressure through the E&D [Equality and Diversity] committees. In fact, one of the representatives of [name of LGBT network] was on the E&D*

*committee” (Interview 45, former pro-vice chancellor, HE organisation, 14.12.2017).*

In some cases, such as in the quote above, employee networks function as a form of sounding board to firms’ managerial decision making. In fact, 92% of my Stonewall survey respondents reported that their LGBT employee network(s) directly ‘fed into [their] organisation’s decision-making’:

*“LGBT networks tend to operate with an informal agreement between management and themselves and achieve really remarkable change in the culture. And I think that is because, when you have employers that realise: ‘there is a group of members of staff and I can make them feel happier and more engaged and therefore more productive’ it’s a no-brainer in that sense” (Interview 34, head of policy and communications, governmental organisation, 16.10.2017).*

Moreover, my interviewees from case studies 7, 8 and 10 reported that some or even all of the firms’ new policies were reviewed by their employee networks:

*“The network is involved in every policy design. We are all over that LGBT equality issues are addressed. (...) The power really lies at the top. But it is important that the network is consulted and gets a say in the issue” (Interview 71, head of legal services, governmental organisation, 12.4.2018).*

LGBT network groups in my case study organisations (7, 8, 9 and 10) meet a minimum of several times a year and as often as once per week. It is important to note that these employee networks were all directly or indirectly supported by firms’ managers and/or directors. In three of the cases, the networks were even setup and funded by the organisation’s employer-managers (from the top-down). Nonetheless, they represent a source of governance which predominantly emerges from within the organisation. Employee networks could identify key issues, as well as gather and disseminate relevant information throughout their firms, and even – as pointed out in the previous chapter – towards external networks. In this way, the employee networks often also become a source of information for Stonewall (and BITC) as well, and even for the employer-managers of the organisation. The members of the networks can help to point-out problems, new challenges or provide advice on whether the staff feel that a policy is good, fair, or adequate:

*“They have a network of people (...) where they can talk and share across the organisation (...) to gain confidence that they are doing the right thing. They gain the confidence to push for radical change (...) that type of self-organisation within workplaces is a really powerful tool to change” (Interview 34, head of policy and communications, governmental organisation, 16.10.2017).*

A notable finding in the context of employee representation is that despite asking interview questions time and again concerning trade unions, interviewee responses were notable due to their absence of information on unions. In fact, several firm representatives explicitly said that their business was not unionised, such as case study 4. Although employee networks are often less formally structured, their function are similar to unions in the sense that they watch and oversee the standards of businesses in an informal way. Several interviewees even argued that employee networks might even be a more effective way for bringing about change in the field of EDI:

*“Trade unions (...) can bring in the perspectives of employees and raise them, like equality issues. However, more often than not, the meetings that we are having about workplace practices – there is simply not enough time to deal with everything that is LGBT related. Whereas the LGBT staff network has a lot more time to consider what it thinks is important, feed that into the organisations’ management and the management can then think about how to be a better employer. That pushes the organisation on bit by bit” (Interview 34, head of policy and communications, governmental organisation, 16.10.2017).*

My findings suggest that these network groups are significantly contributing to the development and implementation of policies and practices, as well as challenge managerial decision-making and thus contributing towards a more vertically integrated institutional setup:

*“Our networks have an advising and, although generally non-confrontational, also a challenging role. Where appropriate they will challenge the decisions that are made” (Interview 48, equality advisor, public organisation, 21.12.2017).*

*“The group can challenge, based on the work that I am doing. So, they provide that level of challenge and of support” (Interview 65, diversity manager, public organisation, 7.3.2018).*

More specifically, interviewees reported that staff networks are very helpful in overcoming any potential discrepancies between an organisation's policy and practices:

*"The best policies are developed with staff. If staff says that this is something they want to do and they're OK with those procedures and the unions get involved, and all those other things involved in getting a policy – it is very rare that you would end up with something that is awful" (Interview 34, head of policy and communications, governmental organisation, 16.10.2017).*

### Organisation-wide ownership

*"It's about getting our whole staff base involved (...) as part of their induction, we have a community challenge. So, every single new member of staff has to get engaged in a community project" (Interview 59, CSR manager, building society, 2.2.2018).*

Finally, in several organisations, yet most prominently in the building society (case study 2), my interviewee representatives claimed that they had managed to get their entire staff-base involved in their PVR activities. Here, the sense of ownership had (apparently) moved beyond management, individual employees, or network groups, and had extended across the entire firm:

*"We want it to be an organisational-owned thing. So, we have a steering group that is chaired by someone else than the organisation and it is representative of the organisation. And it has really helped to try to embed it in all of the teams. (...) It's about providing that flexibility and making it people-led" (Interview 66, head of diversity, public organisation, 7.3.2018).*

The following quote of how the ownership of LGBT equality could potentially spread across an entire organisation, gain traction and support from all employees over time, and, eventually, achieve deep-rooted organisational change is extremely illustrative:

*"I always think of it as a campaign, where you start off with a small group, one or two people and there is some heavy groundwork you have to put in. Then you have people on the periphery (...) and then at some point, you hit this critical mass, when people just start to go out and do*

*their own action. (...) It might only start off with 2 or 3 people, (...) [then] there will be all the inter-organisational learning and cultural exchange that goes on” (Interview 34, head of policy and communications, governmental organisation, 16.10.2017).*

Employee networks were also reportedly supportive in distributing ownership across the firm:

*“If you have a staff network, you will draw people from a whole range of departments and they will get involved in the work” (Interview 34, head of policy and communications, governmental organisation, 16.10.2017).*

Again, while this organisation-wide ownership was supported from the top-down, many of the changes were introduced by individual employees within the organisation from the bottom-up. In these contexts, interviewees said that PVR helped motivate employees to be engaged in the company:

*“As much as everybody works to pay the bills, this is a place where the majority of people come to work because they feel that they really believe that they are doing something really important. It is not just about getting them through the day. It has an energy that is very stimulating. And it is an incredibly inclusive place to work” (Interview 71, head of legal services, governmental organisation, 12.4.2018).*

*“We’ve moved from it being an important thing, but that other people should do, to the board recognising that it’s everybody’s obligation” (Interview 67, director of HR, public organisation, 7.3.2018).*

In one public sector organisation (case study 8) however, an employee highlighted that at times there could be a danger of the responsibility and ownership for PVR measures to become ambiguous which in turn diluted the effectiveness of the measure. An interviewee pointed out that since their steering group had become smaller, it was making better progress:

*“We’ve actually recently had to cut attendance down. Because some people were just showing-up because of an interest in diversity. So, we came up with some terms of reference and some goals for the group and figured out who really wanted to make a contribution and stripped back the group. (...) [Since then, it has been] more productive in terms of allocating tasks to fewer, more focused individuals” (Interview 65, diversity manager, public organisation, 7.3.2018).*

### 7.2.2 Aimless PVR

*"[With bottom-up governance,] strategically, the organisation has no policy, no direction of work that is supporting what is being at the lower level. So that means that they are falling way behind on what could get done" (Interview 91, programmes officer, Stonewall, 3.5.2019).*

There are two main challenges that interviewees pointed out surrounding the potential for bottom-up governed PVR to fail in achieving effective changes to workplace policies and practices.

#### Individual-dependence

*"I think a lot of this is driven by individuals. Like here, I think a lot is driven by [name] and myself. And if we left, I think we would drop significantly [in the WEI]. Because, the key individuals to push it might not be there" (Interview 56, diversity and inclusion manager, governmental organisation, 25.1.2019).*

Several interviewees pointed out a highly significant risk to when PVR initiatives are centred on a single engaged individual within a firm, since those PVR activities might therefore become unsustainable. In particular, one respondent (Interview 89, director of HR, public organisation, 22.2.2019) pointed out that in the previous public organisation he had worked for, nearly all of the LGBT programmes he had initiated in his time there fell apart once he left:

*"The issue with things being driven by individuals is that, if you have a few passionate individuals, when they leave, it crumbles" (Interview 91, programmes officer, Stonewall, 3.5.2019).*

Thus, to counter the dangers of concentrated ownership, several interviewees emphasised the importance of distributing responsibility throughout the firm and argued that this would counteract the dangers of concentrated ownership:

*"The question is about the sustainability of that network which is so closely established around one individual. We've adopted a co-chair approach, (...) what that allows is that the network is not just synonymous with one individual. (...) It is a staff-led approach. I am keen and conscious that the networks are peer-led, staff-led" (Interview 67, director of HR, public organisation, 7.3.2018).*



### Lack of support or resources

*“Without that central support, direction and strategy, it then entirely falls to the people on the ground to catch the issues at every turn” (Interview 91, programmes officer, Stonewall, 3.5.2019).*

Another danger worth noting surrounding potentially ineffective implementation of PVR through bottom-up governance (in comparison to top-down governance), is a lack of resources, including a potential absence of power, money, time, capacity, authority, or skills:

*“Resources. That might something that is a barrier to some people. Resource-capacity that is outside of someone’s control” (Interview 87, campaigns, policy and research manager, Stonewall, 11.1.2019).*

Lack of resources was highlighted as a potential issue by respondents from the IT firm (case study 3), and also confirmed in my survey, as for instance, one survey respondent from a public sector organisation indicated that a major challenge of their Stonewall membership had been:

*“Competing demands across other protected groups and limited resources” (Stonewall membership survey, open-ended question, public sector respondent).*

Thus, even when employees are willing and motivated to govern PVR changes from bottom-up, the support in the form of resources and support from the top-down remain nonetheless essential:

*“[Employees are engaged] because they believe in the cause, but sometimes they have no direction; they lack support from the central direction, from the board” (Interview 91, programmes officer, Stonewall, 3.5.2019).*

## 7.3 Chapter summary

My empirical data shows that the governance of PVR within firms is a crucial process which significantly impacts whether and how PVR shapes and influences labour standards within firms. A significant difference is between those firms that primarily utilise top-down governance versus those that govern PVR from the bottom-up. Top-down governed PVR approaches within businesses are often achieving successful

changes to their workplace policies and practices, and potentially even altering their organisational culture. This is particularly true where changes are drip-fed incrementally into the organisation, when these changes are tactically implemented, and when they are purposefully aligned to the firm's mission and values. Conversely, my findings suggest that there are also several dangers associated with top-down governance. These are that the changes associated with top-down governance might become tokenistic, especially if the board does not live up to the values they claim to be driven by. In addition, without an effective translation from policies into practices and/or a lack of dissemination of PVR actions across the company, PVR can become a meaningless statement of intent.

In other firms, individual employees, network groups or (apparently) even the entire organisation can become the driving force behind PVR and use their agency to transform organisational cultures from the bottom-up. In this context, the ownership and responsibility of PVR is a key component which helps to ensure that changes through PVR are authentic, grounded and driven by employees within the organisation. In particular, employee network groups (e.g. LGBT networks) were recurrently highlighted as invaluable tools to drive change. Some interviewees felt that they could provide better and more accurate feedback loops of information to firm management on how to formulate policies concerning EDI than even trade unions could. On the other hand, when the PVR initiatives rest in hands of only one or few individuals, the changes may become unsustainable. In addition, without the support from employer-managers, individual agents of change might lack the direction, strategy, support, and resources to achieve the aspired amendments to labour standards.

Once again, my findings were suggestive of a symbiotic relationship between the parallel mechanisms of top-down and bottom-up PVR governance, whereby both strategies were essential and potentially mutually reinforcing towards the successful raising of labour standards.

## **CHAPTER EIGHT: Strong and weak regulation**

The purpose of this chapter is to empirically test my theoretical argument in the context of two of my firm level case studies. While the previous three chapters demonstrated in detail each independent variable separately, this chapter unpacks how they operate in conjunction with one another to impact labour standards within two workplace settings. For this I describe and contrast the ways in which membership and participation with BITC and Stonewall played out within both organisations. I elaborate on the manner in which my three independent variables manifested – in conjunction with one another – in the context of the case studies 10 and 5. Broadly, the effects on labour standards were comparatively strong in the former case, and relatively weak in the latter case. The first organisation, case study 10, was chosen as an example of a relatively strong case with a greater impact on labour standards, whereas the second organisation, case study 5, was chosen as an example of comparatively weak case for PVR intervention. For both firms, I first briefly set the context of the organisation, sector, and their membership with either BITC or Stonewall. Subsequently, I elaborate on the ways in which the three independent variables, in combination with one another, either strongly or weakly impacted their labour standards.

### **8.1 Becoming a leader of LGBT equality**

Case study 10 is a governmental body which was formed at the turn of the century and employs approximately 450 staff members. LGBT equality and inclusion, as well as broader issues concerning the fair treatment and protection of employees surrounding each of the nine protected characteristics of the Equality Act 2010 were and remain high on its agenda. In fact, equality was one of the three central values that were written directly into the organisation's mission statement from the beginning. As part of this, the organisation established an internal equality team soon

after its founding which leads its interactions with various external equality and diversity organisations, including Stonewall.

Originally, most of the case study 10's activities were focused on the rights and wellbeing of gay men, however, over time lesbianism, bisexuality and eventually, transgenderism were included into the organisation's priorities. In 2007, case study 10 became a Stonewall DC member. Then, in 2008, case study 10 first participated in the WEI. Initially however, the aim was not to seriously compete for a high position in the Top 100 rankings; instead, the aim was merely to learn as much as possible about LGBT equality and inclusion in the workplace:

*"It is a tool in a way to get information on what to change and drill down and find out what's going on in the organisation" (Interview 47, director, governmental organisation, 20.12.2017).*

Over the years, however, case study 10 became an extremely high-performing organisation within Stonewall's Top 100 listings, earning a top 10 spot in the rankings on multiple occasions. Interviewees emphasised that competition has played an especially large role in this development; particularly among the close-knit group of public sector organisations that are trying to outperform one another in the WEI rankings:

*"The WEI is [a] powerful influence. (...) Just because it is a constant process. It ends one year and then the work starts for the next" (Interview 70, interpreter, governmental organisation, 16.3.2018).*

Top-down governance also played an important role, as various directors from case study 10 explicitly declared their commitment to equality and diversity, although one director in particular has taken a lead with regard to LGBT issues. My interviewees emphasised time and again that this top-down governance made a significant difference to the successful implementation of LGBT equality and inclusion:

*"What is key is having the buy-in from the top of the office to all of the equality issues. And that they are committed to the WEI. And there is support there that is repeated at staff meetings and communications that come from the top (...) It lets people know that even if they have prejudices, they have to leave them at the door" (Interview 71, head of legal services, governmental organisation, 12.4.2018).*

An interesting facet is that having a top-down governance support for this issue might influence the propensity of the organisation to be able to rely on the ethical over the business-case:

*“Our leader will happily pose with the rainbow flag. And that senior leadership support can carry you very far (...) If there wasn’t that support there from the top, we might actually have had to engage with the business-case and convince them of why we should do this (...) We have been really lucky. Because I know that others have had to convince people of the business-case for supporting pride or the index or introducing a new policy. So, having (...) a senior LGBT person role model is really important in creating legitimacy” (Interview 56, diversity and inclusion manager, governmental organisation, 25.1.2019).*

Interviewees highlighted time and again that ethical case arguments are overwhelmingly significant over business-case rationales in case study 10:

*“It’s because it’s the right thing to do and because we want people to know what a good organisation we are. It is so engrained with what we do (...) we just do this because we all believe it and just think it’s the right thing to do.” (Interview 71, head of legal services, governmental organisation, 12.4.2018).*

Case study 10 has also made active efforts to devolve responsibility, ownership, and power down to lower levels of its organisational hierarchy. For instance, the organisation established so-called ‘champions’ for various minority groups, including LGBT and mental health. In addition, case study 10 has established several different employee networks over the years, including LGBT network, as well as a hugely expansive LGBT allies’ network which anyone can join. It was pointed out however, that the LGBT network only significantly increased its impact through the sponsorship of senior leadership:

*“You really need that leadership sponsorship (...) Otherwise, it will always staff a small network, that will stay social and won’t have the impact that you want it to have longer term.” (Interview 47, director, governmental organisation, 20.12.2017).*

On the other hand, this director himself pointed out that because of his top-down engagement with the LGBT cause, it was possible that this was stifling the commitment from the LGBT network itself:

*“the network themselves are less engaged. That is partly my fault because I drive a lot of this stuff myself and then share it with them. Nobody feels like they need to own it.” (Interview 47, director, governmental organisation, 20.12.2017).*

Another, counterintuitive reason as to why LGBT activism in the organisation had become relatively low is that there is not a need for it, since acceptance and inclusion are largely achieved:

*“there are people here that are openly LGBT, but they are not in the network. In fact, if we had a network that was more active and was pushing for lots of improvements, then that might be a sign of concern. Here, nobody is pushing for improvements. We’ve got good inclusive policies that have been approved by external benchmarking organisations” (Interview 47, director, governmental organisation, 20.12.2017).*

Several interviewees thus concluded that a balance between top-down and bottom-up engagement was necessary for the LGBT goals to be achieved effectively:

*“The power really lies at the top. But it is important that the network is consulted and gets a say in the issue” (Interview 71, head of legal services, governmental organisation, 12.4.2018).*

Most importantly, interviewees pointed out that the LGBT network could actually feed into the core organisational decision-making process which in turn helped with the quality and sustainability of the emerging policies:

*“LGBT staff network has a lot more time to consider what it thinks is important, feed that into the [organisation’s management] and the [organisation’s management] can then think about how to be a better employer (...) the best policies are developed with staff” (Interview 34, head of policy and communications, governmental organisation, 16.10.2017).*

Several interviewees mentioned that the organisation essentially had a form of multi-level governance which was driving LGBT improvements:

*“I’ve been on the role model’s programme. And I am nowhere near a senior staff member (...) if the CEO is doing things but there is no representation from other levels then – so, if you see that there is somebody who is being empowered at your level to be themselves, then you might think that this is truly relevant”*

To achieve the desired changes in LGBT equality and to move up the leader board of the WEI, case study 10 purposefully embraced small, incremental changes that were not aggressively forced upon employees, but instead gently took them along a journey:

*“First we just started as a social group. Then we changed our terms of reference. Later the organisation started to get us involved in the corporate side of things. So, when a policy needed reviewing, we would review them as a form of impact assessing and making sure there wasn’t anything detrimental to LGBT people. We became recognised in the corporate structure, with a small budget and buying resources. We got little things that say: I am an ally. People who become allies put them on their desks which are almost invisible to me now.” (Interview 47, director, governmental organisation, 20.12.2017).*

These small incremental changes were often driven by the changing requirements and framework of the WEI and have help to make incremental improvements to the lives of LGBT employees of case study 10:

*“The index gives us ideas on what we should be doing (...) It is that drip-feed which changes culture incrementally” (Interview 56, diversity and inclusion manager, governmental organisation, 25.1.2019).*

More specifically, the WEI was key in highlighting those areas where some work might still be done and what additional incremental change might be made:

*“The way they do it is so that they can test and challenge. They ask organisations to fill in and to provide evidence of what they’ve done in any given year. With the idea at the end of it that they will be able to test them against the evidence that they’ve put in and able to challenge them to go a bit further. (...) they will be pushed to continuously improve their performance” (Interview 34, head of policy and communications, governmental organisation, 16.10.2017).*

Nonetheless, despite this drive to get another tick in the index, some respondents highlighted that a tick-box incentive could, despite its superficiality, nonetheless lead to significant improvements to labour standards. For instance, this interviewee explained that box-ticking could still lead to positive outcomes, such as a new policy:

*“There is the danger of doing things for the sake of getting a tick in the index. But maybe that is not necessarily a bad thing because it might prompt us to create say a guidance or policy before we might have been able to. For instance, last year there were some questions on non-binary identities, and we realised that we did not have anything to support them. So, we put together some documents and shared that. And we got the tick in the index” (Interview 56, diversity and inclusion manager, governmental organisation, 25.1.2019).*

Case study 10's desire to win the WEI was somewhat tempered by a strong desire to collaborate with other organisations. In fact, they helped to establish another layer of collaboration in the form of an interorganisational LGBT network, beyond DC, which includes other public organisations. They meet on a regular basis to discuss things they have done in terms of LGBT equality and the setting-up of their LGBT network. This cooperation was highly regarded among my interviewees:

*“I am a great believer in not trying to reinvent the wheel. (...) [We'll send out] policies, blogs, and communication tools. Things that we can send out to send out a positive message” (Interview 47, director, governmental organisation, 20.12.2017).*

Overall, case study 10 is demonstrably an organisation which has implemented far-reaching changes to its labour standards surrounding LGBT inclusion, and interviewees were in unison in their belief that Stonewall has been a crucial driver for this:

*“Stonewall is definitely a driver for us to make changes. (...) Going to a Stonewall seminar, hearing about best practice and working through the index (...) it does get us pro-actively thinking about things that we might not have thought about otherwise” (Interview 56, diversity and inclusion manager, governmental organisation, 25.1.2019).*

## **8.2 Creating an image of responsible business**

Case study 5 is an old (over 100 years) and prestigious British law firm which works with both national and international clients, including FTSE-listed firms, public bodies, government departments, as well as individuals. It employs over 750 people. Responsible business practice is part of the firm's organisational identity which is expressed in its commitment towards relevant social issues, including education,



employability, and social mobility. The firm has an environmental team, a diversity steering group, an ambitious work experience programme and works closely with a local primary school to improve reading levels in pupils. Interviewees regularly expressed the firm's commitment to social and environmental issues:

*"We are ISO 41001 accredited. We are founding members of the legal sustainability alliance. (...) it commits firms to reduce their environmental impact (...) We also have a very active 'Be Sustainable' group (...) they organise our Green Week and campaigns" (Interview 52, CSR manager, law firm, 16.1.2018).*

Case study 5 has also been a member of Stonewall since 2012; yet, its engagement in LGBT inclusion has been rather at the periphery of its interests, whereas BITC and responsible business have remained a much more central concern. According to interviewees, the main driver for its engagement in PVR more broadly, as well as CSR and BITC more specifically, is a business-case motivation to remain financially sustainable, while also adhering the organisational values:

*"We are a law firm, and our purpose is to provide good, quality legal advice. We are nonetheless a 'values-driven' company. Our values are everywhere, and people know them, we mention them in review. We have a very strong culture" (Interview 52, CSR manager, law firm, 16.1.2018).*

Thus, the motivation of case study 5's PVR activities constitutes a blend of business-case concerns, such as employee recruitment, retention, and motivation with ethical concerns, including moral values and a commitment towards creating a healthy society:

*"I've seen the value in paying for some programmes. A value that goes beyond the simple bottom line and the value in terms of us giving to a community organisation. (...) We have realised that not only is it the right thing to do, but our people and new recruits are looking to see what we are doing in that sphere. (...) There is also the point to satisfy the aspirations of our people. And our people want to join an organisation with purpose and meaning" (Interview 62, head of communications, law firm, 6.3.2018).*

Initially, the firm was a BITC member between 2006 to 2010, after which there is a break in its membership. In 2008, a CSR manager had been hired to coordinate

the various responsible business actions that the firm was undertaking. Case study 5 already had a strong history of engaging with CSR and the topic of responsible business, however, the BITC membership and hiring a specific CSR manager helped to consolidate and manage these practices:

*“When I joined here, my job was, in fact, to gather together everything together all the things that we have been doing over the years (...) from pro bono, to free advice to the bike things and work in schools. (...) what has happened in the last 10 years is that it has become formalised” (Interview 52, CSR manager, law firm, 16.1.2018).*

In 2010, case study 5, led by the CSR manager, decided to leave the BITC network since they felt that the membership was not worth the money they were being charged:

*“We felt that we didn’t need the membership as much and it didn’t justify the money it cost” (Interview 52, CSR manager, law firm, 16.1.2018).*

The fact that the financial cost of being part of BITC was the main driver to leave in this first instance once again highlights the importance of business-case arguments in participating in the first place. This is re-emphasised in the following:

*“I was more hesitant about joining BITC. A lot of their programmes are paid for. You pay a significant membership fee and then to participate in the programmes that they run – you pay on top of that. And, we have looked at that and thought: ‘Is that the best way of investing money?’ We could be investing directly into community organisations, rather than into the membership organisation. But I think we have gotten value out of it” (Interview 62, head of communications, law firm, 6.3.2018).*

By 2013, however, the law firm decided to re-join BITC primarily to reconnect the CSR managers to other relevant actors in the area of CSR and responsible business:

*“I felt I was working on my own in the area. And no one was there to share best practice with and BITC is really helpful in that regard. So, I can now ask [their BITC manager] whenever I have any questions and she can put me in touch with another firm. And, that is something that I really love about this area of work” (Interview 52, CSR manager, law firm, 16.1.2018).*

Nonetheless, the issue of paid membership and value for money remains a contentious issue for case study 5; especially since membership of BITC might, according to interviewees, have the potential of being superficial, cosmetic, and, in the end, somewhat inconsequential to the labour standards of employees:

*“One of my concern of joining BITC, was that we were paying fee – simply to have a label to become a member of BITC. I do think it has improved our engagement and our focus. It has helped in terms of language and put a wrapper around things. So, we have gotten good value out of it. But my worry was that it was too much about being seen to be doing the right thing rather than actually doing it” (Interview 62, head of communications, law firm, 6.3.2018).*

This issue of superficiality and merely creating a positive organisational image through CSR actions and participation in BITC’s network was emphasised on multiple occasions. A related motivational aspect of joining the BITC network is the entering and potential winning of awards which can also be considered as an extension of case study 5’s cosmetic business-case incentive to engage in PVR as suggested in the following quote:

*“We enter and actually win quite a few awards (...) Prestige, reputation, it looks good when we can show that we have won awards (...) It’s actually a bit mad. So, many awards. (...) It is mainly driven by our marketing team” (Interview 52, CSR manager, law firm, 16.1.2018).*

A controversial issue that was brought up in the context of BITC’s competitive responsible business awards is that they might not be unbiased in their measurement of impact on workplaces, as was highlighted in the following quote:

*“An observation from BITC awards, is that they seem to be very focused on the programmes that they run. If you’ve created a great bespoke programme – (...) I looked at the application form and it I felt like it was setup in a way that it was beneficial for organisations to participate in BITC’s programmes, not in their independent ones. So, in a way I felt like it encouraged people to sponsor awards and that they might win them” (Interview 62, head of communications, law firm, 6.3.2018).*

Case study 5’s primary incentive to participate in the awards were once again framed as business-case motivations in relation to the tendering process and the public image of the company:

*"Our tendering or pitches we tend to ask if we are part of BITC or Stonewall or the BDF. Not all of our work comes through tendering, but quite a lot. And it helps us to be able to tick that box (...) the whole reason why we are doing stuff, is also to differentiate ourselves from others (...) In fact, we should improve our website and say more about what we do" (Interview 52, CSR manager, law firm, 16.1.2018).*

Thus, to a certain extent, BITC is viewed by case study 5 as a strategic partner to engage with, partially because it helped give the firm's CSR programmes legitimacy and validity and partially because it helped maximise their resources:

*"BITC has given us has that external perspective in terms of trends. And being able to use some of their resources" (Interview 62, head of communications, law firm, 6.3.2018).*

In conjunction with this, however, the cooperative business network aspect of BITC is also highly regarded as important and influential since it is good for the firm's external brand image management:

*"Our clients know the business-case and it is good to be seen to be part of that. There wasn't really any pressure. But it looks good (...) and the aspect of rubbing shoulders with the right people" (Interview 52, CSR manager, law firm, 16.1.2018).*

What is interesting, however, is that despite interviewees explicitly valuing the cooperative business network side of BITC, there was also considerable doubt among them whether these networks are truly as constructive as they claim to be. In fact, one interviewee described the networks plainly as self-congratulatory:

*"I think there is a danger with those sorts of events that they can become self-congratulatory instead of constructive. (...) My feeling is that the events I've been to haven't been quite as challenging or constructive as they could be (...) I've been to a meeting with regards to diversity. I think of the 100 people that were there, 90 were male and 95 were white. But it was a very congratulatory event" (Interview 62, head of communications, law firm, 6.3.2018).*

On the other hand, however, the cooperation between members of BITC were also reported to have some value; especially in the context of sharing and disseminating ideas of best practice:

*"I don't care if someone pinches our [name] idea. That's brilliant (...) I am happy to share what we've done (...) All members of BITC, we all want to create a fairer society. (...) It has been really valuable to re-join. Networking is really important" (Interview 52, CSR manager, law firm, 16.1.2018).*

Another important part of the firm's CSR practices which was governed by the executive leadership team of case study 5 in partnership with BITC was an employee volunteering policy to engage in community projects:

*"People know that they have two volunteering days and a third if they want to work with a client. That there is a real top-down support for volunteering (...) there is a real culture of helping out in the community" (Interview 52, CSR manager, law firm, 16.1.2018).*

One partnership with a local school was emphasised above others, where employees, based on the firm's volunteering policy, are encouraged to visit, and help school children with their reading abilities:

*"Although people might still occasionally paint a wall if people want to get away from the office. We want to use the skills that our people are good at like mentoring and reading" (Interview 52, CSR manager, law firm, 16.1.2018).*

Although employees were obviously encouraged to participate in these volunteering programmes and therefore had some agency, case study 5's driving force of CSR has primarily been located at the level of leadership, as well as with the CSR manager. Only very little power and ownership seems to have been devolved to employees. On the other hand, however, some of the CSR activities of case study 5 are potentially cascading down the supply chain through the demands of case study 5 onto its supplier firms:

*"Our suppliers also have to abide by a suppliers' charter. We ask them to pay the Living Wage" (Interview 52, CSR manager, law firm, 16.1.2018).*

In summary, the main value of becoming a member of BITC seems to have been that case study 5 has managed to define and focus their CSR activities in a purposeful and result-oriented manner:

*“the principles developed by BITC and the strategic framework that they use – we have been in to use that as a rapper of our own values. (...) We can bring all of that together under the concept of responsible business” (Interview 63, senior partner, law firm, 6.3.2018).*

Yet, the membership at BITC remains controversial and primarily driven by business-case arguments and the membership in a prestigious business network which are unlikely to produce the claimed changes to labour standards.

### 8.3 Chapter summary

The type of framing used to describe PVR, the nature of interaction between firms engaged in PVR, and the manner in which PVR actions are governed in individual firms in combination with one another demonstrably influences whether PVR is successful or unsuccessful in effectively raising labour standards within a given workplace. In this chapter, I have shown how my three independent variables, framing, interaction and governance, can conjunctively produce either a relatively strong impact on labour standards as with case study 10, or have a comparatively negligible impact as with case study 5. In the former case, LGBT equality and inclusion was framed through both a business case and an ethical lens, the organisation aimed to simultaneously establish cooperative and competitive relations with other organisations, and PVR governance was led both from the top-down, as well as by internal leaders at operational levels and through a very active LGBT employee network. This cumulated into a strong effect on LGBT-related labour standards within case study 10. In case study 5, on the other hand, the efforts to become leaders in CSR have been primarily driven by corporate image management and the motivation to be seen to be doing good. Both serious competition and cooperation with other firms was infrequent and changes were governed principally from the top-down. Overall, this lack of actor-centric change resulted in comparatively weak impacts on labour standards through PVR.

## CHAPTER NINE: Discussion

In this chapter, I synthesise my empirical findings in the context of the existing literature. While the first three findings chapters respectively demonstrated that each of the three independent variables has a distinct and significant impact on the PVR process, and the fourth findings chapter demonstrated their collective impact on firms' labour standards; here, I aim to highlight the originality of my findings. The purpose of what follows is to demonstrate the ways in which my findings confirm, differ and conflict with existing research. I highlight the novelty of my contributions and formulate my 'knowledge claims'.

While much of the initial debate on the effectiveness of PVR was in a strong pro- and anti-format (e.g. see Thomas 1990; Kurruvilla and Verma 2006); the more recent debate has become increasingly more nuanced and less polarised (e.g. see Locke 2013; Bartley 2018). My findings and thesis more broadly are in line with these latter evaluations, as I explore the conditions under which PVR might manage to contribute either more, or less, towards raising labour standards. I contend that ethical framing tends to increase the effect of PVR on labour standards in comparison to business-case framing; competition between members tends to result in a stronger effect than cooperation; and the bottom-up governance of PVR may be more effective than top-down governance. However, when examined with more nuance, I found firstly, that each of these extremes have their associated advantages and risks, and secondly, that none of these variables mutually exclude their counterparts. Instead, my findings show that business-case and ethical framing, competition, and cooperation, as well as top-down and bottom-up governance can, in fact, mutually support and reinforce one another.

## 9.1 From weaknesses to strengths

Under what conditions can PVR potentially help to successfully raise labour standards in workplaces, and which of these conditions are actor-centric? Chapter Two established that the existing literature on PVR has highlighted a wide array of criticisms against PVR. Nonetheless, there are those IR authors who see some, albeit often limited, merit in PVR measures. For instance, Heery et al. (2017) positively evaluate the private multi-stakeholder British Petroleum Driver Passport scheme. Similarly, Locke (2013) argues that “private initiatives aimed at improving labor standards (...) can succeed” (2013, p. 17); and Noon and Hoque’s (2001) study of the Workplace Employment Relations Survey 1998 found that voluntarily implemented equal opportunities policies had some positive impacts on limiting racial discrimination in workplaces. These studies beg the question whether PVR has perhaps been judged too harshly in the existing PVR literature and whether there are certain conditions under which it may make a strong contribution towards regulating work and employment.

The critics of PVR largely focused on three principal weaknesses outlined in Section 2.2.1, namely: PVR’s lack of enforceability, the untrustworthiness of collective business action, and the struggle to effectively implement PVR. However, analogous to authors such as Dobbin and Sutton (1998), I hypothesise that privately acting agents – which have hitherto remained largely neglected in the debate on PVR – can potentially exert their power and agency to transform PVR from a weak form of regulation towards making a rather strong contribution in shaping and influencing work and employment conditions. A supportive example of this from the health sector comes from Scott Greer (2011, p.190), who examined health care policies from the European Union. He argued that while on the one hand, harder laws are often less powerful than they seem, and on the other hand:

*“apparently weak, voluntary initiatives based on benchmarking, data collection, and networks might be stronger than they first appear. What they lack in the authority of law they might make up in supporters eager to implement them” (p. 188).*



Thus, Greer contends that ‘supporters’ – or ‘privately acting agents’ – can have a strong impact by increasing the effectiveness of PVR. My research goes deeper than this however, as I theorise and provide empirical evidence to demonstrate the importance of three independent variables that are present on two levels of private actor agency and which significantly shape and influence the effectiveness of PVR in different ways. In other words, I identify in the theoretical literature and then substantiate through my empirical findings that there are three significant actor-centric analytical categories or overarching explanatory variables which help to explain the PVR process and its outcome in terms of labour standards. These are the ‘dials’ that can be turned up and down; the ‘levers’ which can be moved to influence the quality of the causal effect on my outcome variable; thus, potentially transforming PVR’s weaknesses into strengths.

In this context, I claim that researching the impact of private agents through PVR on labour standards potentially invokes a paradox. Analogous to Granovetter’s (1973) weak ties, my findings indicate that it is incidentally those three weaknesses of PVR which critics use to condemn PVR as weak and ineffective, which can – when effectively shaped under the agency of private actors – become the strengths of PVR. These findings surrounding the impact of my three independent variables on PVR’s effectiveness on labour standards are summarised in Table 9.1. My three actor-centric independent variables help to explain how the alleged weaknesses of PVR in shaping labour standards can, ironically, be transformed into its strengths; justifying the concept of: ‘the strengths of weak regulation.’

**Table 9.1:** The impact of my three actor-centric independent variables on labour standards.

Business-case framing	Ethical framing
Business-case framing assumes that it is in the corporate economic interests of businesses to participate and engage in PVR (Carroll and Shabana 2010). This is the main strategy pursued by BITC. I found that it can successfully lead many employers to affiliate and make numerous, albeit at times only short-term and superficial changes to labour standards.	Ethical framing challenges employers to protect the interests of society privately and voluntarily, the environment and their employees simply because it is the moral thing to do. Stonewall, in particular, frames LGBT equality in this ethical manner. I found that ethical framing led slightly fewer employers to engage in PVR, but those firms often made more profound changes to their workplace policies and practices.
Competition	Cooperation
Several PVR measures, including benchmarks and award schemes, create a competitive incentive for firms to raise their labour standards voluntarily. This is the main strategy of interaction pursued by Stonewall through the WEI. My findings indicated that these competitions were successful in creating a ‘race to the top’ of ever- improving levels of ‘best practice’ which many firms were willing to participate in. This is despite some concerns of superficial box-ticking and the potential unreliability of the measured data.	Cooperation assumes that within PVR business networks, firms will share best practice with one another, as well as collaborate on projects together. BITC aims to put its members in direct contact with each other and to create synergic collaborations. These business alliances reach many employers, who indeed share best practices with one another. However, for some, the network prestige is the main motivator in which case the network contains a self-congratulatory element.
Top-down governance	Bottom-up governance
Top-down governed PVR takes place when employer-managers own and drive change in their firms. I found that when these changes were incrementally drip-fed, tactically implemented and aligned to firm’s mission and value, these can positively affect labour standards (e.g. case study 4). However, top-down driven PVR can become tokenistic, especially when the board does not ‘own’ the firm values and when policies were either not effectively translated into practices (e.g. case study 1).	Bottom-up governed PVR is driven by individuals, employee network groups or even entire organisations, who utilise their power and agency to transform organisational cultures from within. This can lead to authentic and grounded changes, especially where employee network groups have begun to feed into managerial decision making (e.g. case study 7). However, bottom-up governance suffered, in some firms, from its reliance on one or few individuals, as well as a lack of direction, strategy, support and resources (e.g. case study 3).

### 9.1.1 From non-enforceability to positive incentives

It was previously established that one of the three major weaknesses associated with PVR is its lack of enforceability (Wrench 2005). Traditional forms of regulation are considered ‘binding’ – and therefore more ‘trustworthy’ – through hard enforcement mechanisms, such as pecuniary penalties (Trubek and Trubek 2005). Contrastingly,

PVR has been criticised of being unreliable (Kuruvilla and Verma 2006). More specifically, PVR is frequently critiqued for being 'shallow' and 'empty', or even as a smokescreen to create the illusion of change while not making any improvements to labour standards (Hoque and Noon 2004; Haufler 2013). Broadly, my empirical findings demonstrated how BITC and Stonewall are framing PVR in ways that emphasises the self-interests of employer-managers, as well as the firm's goals on two principal levels, namely in terms of: 'profitability' and 'morality'. I established that instead of relying on threats or external enforcement mechanisms, BITC and Stonewall use two key types of incentives to convince employers to voluntarily affiliate with them and to drive changes to their labour standards through PVR from the lenses of business-case framing and ethical framing. PVR therefore has a distinct advantage over other forms of regulation which rely on enforcement, since the incentive to engage is not externally imposed, but originates from within.

### **Establishing trust**

How do my findings surrounding positive framing amalgamate with and influence our understanding of PVR's potential lack of enforceability? Generally, my findings suggest that when BITC and Stonewall frame PVR in the interest of the employers they engage with, this tends to increase the trust the employers feel and incentivises them to act voluntarily. Employers do not feel coerced to comply with PVR because of any external threats, as is mostly the case in joint employment regulation through union-management negotiations, as well as in legal regulation through employment laws. Instead, employers engage in PVR because of their own intrinsic financial interests, beliefs and values. This is in line with Edelman et al. (2001) who, in the context of EDI, contend that diversity rhetoric is about framing the issue of diversity from the perspective of employer-managers, instead of from the perspective of traditional regulators, such as lawmakers: "diversity rhetoric conceptualizes diversity as a managerial as opposed to a legal issue" (p. 1592). In this way, EDI encapsulates the ethical and financial interests of employer-managers, rather than being an extrinsic pressure or nuisance.

Business-case and ethical framing are thus both soft encouragements which present PVR to employers in a positive light. Rather than feeling coerced, threatened, or forced to act, BITC and Stonewall aim to approach firms as consultants, friends, informants, and occasionally, as moral challengers. In particular, the business-case frame is congruent with the dominant discourse (i.e. 'Friedman doctrine') and mode of (financial) rationalisation within most British firms and explicitly uses a business language that managers can understand, rather than a legal language associated with regulatory 'red tape'. This unthreatening discourse invokes both flexibility (Dickens 2000), as well as a sense of trust which can, at times, be useful in convincing employers to act out of their intrinsic motivations.

My findings are also supportive of those critiques from 'deregulationist' authors such as Thomas (1990), who argues that PVR methods such as training can go beyond just changing policies or even behaviours, and additionally change attitudes and norms (p.6). This is similar to my findings whereby BITC and Stonewall's non-confrontational stance induced a sense of trust in employers to engage with them. A supportive example of this is discussed by Whitting et al. (1993), who claim that one of the strengths of the British 'Employers' Equal Opportunities Groups' in the 1990s were that their memberships were not obligatory or imposed. These groups had no enforcement role, with regard to law which meant that although this allegedly resulted in some, few members disassociating, their emphasis on trust resulted in many employers affiliating and engaging in frank discussions of what they were doing in terms of PVR within a supportive context and without risk of being held to account. Following this line of argumentation, when regulators take a confrontational stance towards employers, they might in fact lose access to a more trusted 'insider' position. Instead, by formulating PVR within the self-interest of firms, this could potentially motivate businesses to uphold their self-regulatory standards voluntarily.

The potential increases in trust through the positive business-case and ethical framing of PVR is particularly significant since employment regulation – especially harder forms – struggle with employer defensiveness and resistance as they are at times described (by employers) in negative terms such as: external, coerced, divisive, imposed, or artificial. For instance, Edelman et al. (2001) explains: "managers naturally

resist law that seeks to constrain traditional managerial prerogatives” (p. 1632). Yet, through business-case and ethical framing PVR might be presented to employers as internal, moral, sensible, harmonious, natural, and, even, as profitable. Thomas (1990) highlights that the intrinsic cooperation of employers may be vital as this may help avoid the resistance of employers and thereby avoid problems that harder forms of regulation struggle with, such as box-ticking, red tape, or getting ‘out of the numbers game’.

An important limitation in this type of argumentation is, however, that its salience depends on the issue under regulation. For instance, if compliance with the PVR initiative is relatively costless, then PVR supported by business-case and ethical framing might suffice to change workplace practices. However, if there are substantial costs implied in compliance then these positive frames might not be sufficient to incentivise changes on their own. My findings do suggest however, that PVR could help to pave the way for more efficient implementation of harder regulation, such as through the law. BITC and Stonewall are potentially doing important work in that they are communicating to employers – albeit, often in a gentle and piecemeal way – that improved labour standards, such as treating workers fairly and to contributing to upholding general fairness norms in society, are within their own interests. This is significant since many employers are often resistant to harder forms of regulation and try to circumvent the law. This, in turn, creates higher costs to society, as regulators are then forced to monitor and sanction employers to follow up on the rules. In addition, this path of resistance may create additional costs for employers which might damage their own reputation and lead to fines or boycotts. PVR offers employers a new way of framing changes to their workplace culture that may help to decrease the costs of adapting to stricter regulation. Even if PVR may not single-handedly manage to regulate labour standards; PVR should potentially rather be viewed as an opportunity rather than as a problem.

### Chasing money

There are, however, some significant dangers associated with the positive framing of EDI and CSR. Both BITC and Stonewall partially choose to frame their PVR measures

through the lens of the financial interest of their member employers, including their desire to improve their profitability, winning work contracts, improving their brand image, and complying with employment laws. This supports the findings from Özbilgin, and Tatli (2011) who contend that the business-case advantages associated with PVR are variable and plentiful:

*“recruiting and retaining the best talent; improved organizational performance and efficiency; increased productivity and creativity; enhanced trust relationship, satisfaction and commitment within the workforce; improved customer relations and service delivery; and positive corporate image and reputation” (p.1240).*

Ideologically, business-case framing also confirms and easily gels with the UK businesses’ predominant neoliberal agenda. It encourages firms to see their role in society as the production of profit for shareholders (Ferguson 2004). Rather than being coerced to change their labour standards through the law or by unions, firms see business-case driven PVR as a type of ‘profit-seeking carrot’ whereby they increase their revenue by changing their practices voluntarily.

However, my findings showed that when the business-case remains the sole framing for businesses to engage in PVR then this reinforces the danger of PVR to lack enforceability, leading PVR to become either shallow or even a smokescreen. In these circumstances, business-case arguments are further contributing towards PVR becoming an unreliable or superficial form of regulation (e.g. see Dickens 1999). My findings thus support the critique that the actual substantive issue which PVR was designed to regulate, such as the protection of vulnerable employees, can become secondary to the financial aims of the organisation (see Dickens 1999; Wrench 2005), as one interviewee highlighted:

*“There is a risk by just focusing on the business-side of things, it dehumanises what we are trying to do by trying to sell it. (...) Then you are not doing it because you believe in it or because it is your values, but because you are chasing money” (Interview 89, director of HR, public organisation, 22.2.2019).*

Similar to Hoque and Noon’s (2004, p. 481) findings, in these instances, business-case driven PVR could be described as an “empty shell”. An overemphasis on profitability incentivises employers to *appear* to do ‘good’, rather than to *actually* do

‘good’, which is congruent with Webb (1997, p. 166) who argues that through PVR, EDI becomes more about “corporate image building than actually about progressing equality goals, leading to a continued gendered ideology of meritocratic individualism”. I found that, in these instances, the ‘carrot’ of business-case framing is not reliable, but potentially inconsistent as one interviewee highlighted:

*“If it’s just the business-case – once the numbers are up, or even once the numbers do not go up as quickly as they think they will, or the business priorities change, or there is a budget cut – it’s the first thing to go” (Interview 91, programmes officer, Stonewall, 3.5.2019).*

Even more worryingly, I found that there were indications that PVR could become not only: “hot air (...) vague (...) fluffy”, but, through business-case framing, it could “even justify organisational non-action” (Kirton and Greene (2010, p. 251). Thus, in order to counteract these potential dangers, I found that ethical framing plays an important role in balancing out the business-case framing of PVR. The inconsistencies as created by business-case framing confirm the argument of Özbilgin and Tatli (2011):

*“unlike the universal coverage of (...) ethical cases, the business-case for diversity is contingent upon the labour market context and organizational competitive strategies. The contingent nature of the business-case arguments, in turn, may lead to a pick and mix approach in dealing with (or omitting) workplace equality and diversity issues.” (p.1231).*

### Shifting ideologically

*“Money should never be separated from mission. It is an instrument, not an end. Detached from values, it may indeed be the root of all evil. Linked effectively to social purpose, it can be the root of opportunity” (Kanter 1991, p. 10).*

Ethical framing, unlike business-case framing, invokes a deeper moral challenge to employers. It suggests a departure from traditional neoliberal thinking. Under ethical framing businesses are asked to re-consider their roles within society, to think beyond the financial bottom line, and to move towards the notions of sustainability or the ‘triple bottom line’ (Elkington 1998). Rather than seeing themselves as profit-making institutions, ethical framing inherently challenges

businesses to re-conceptualise their roles in society as instrumental in helping humanity to overcome wider societal and environmental problems; plainly: to do 'good'. It should be acknowledged that this ethical challenge is rather soft and does not entail any real threat; nonetheless, ethical framing inherently contains an ethical challenge to employers.

My empirical findings suggested that ethically framed PVR might, at times, invoke a change to a firm's organisational culture which over time becomes embedded: "[this has become] part of our DNA (...) part of our identity" (Interview 40, director, consulting firm, 8.11.2017). Here, the issue of enforceability becomes less relevant as PVR is voluntarily entrenched into organisational culture. This finding is interesting in the context of Dobbin's (2009) reflection on equal opportunity laws in the US. He argued that voluntary, non-enforced regulation can become 'binding'. He showed that while there were no formal laws to enforce any of the equal opportunity innovations from personnel managers during the 1970s; in reality, the mandates of these personnel managers, over time, became embedded, compulsory and even 'binding': "Americans came to view as unlawful what personnel manuals prohibited" (p. 8). He argues that despite the law not formally demanding anything, it became essentially mandatory for businesses to have an equal opportunity action plan in order to prove to the courts that they were pursuing best practice and even questions whether the workplace implementation of any widely accepted type of employer policy is ever truly voluntary (Dobbin 2009):

*"each time public policy establishes a new social responsibility and leaves it to business to work out the details, compliance is not really voluntary. It may seem so at first, but norms gradually develop that make compliance seem both right and inevitable. There is a fallacy in thinking that corporate action on social issues is either voluntary or required (...). For every issue there is a time period before it becomes a matter of social concern (...). There is also a time when its acceptance is so widespread that adherence is an unquestioned part of doing business" (p.231).*

In conclusion, I contend that PVR can, through the usage of business-case and ethical framing, carry several distinct advantages over harder forms of regulation. By



framing PVR in the interest of employers, this creates a proximity and trust whereby employers are motivated to make changes themselves which can in turn lead to significant improvements in labour standards. On its own, business-case framing entails a risk of becoming superficial or even to mask unethical practices through a veil of PVR action. However, when this is overlapped with ethical framing and PVR can provide an ideological, albeit gentle, challenge to employers to change their policies and practices based on a more ethical view of the role businesses in society. This, I found, often resulted in employers becoming extremely committed to PVR so that several of my case study firms went above and beyond other employers in terms of changing their labour standards. This suggests that business-case and ethical framing can mutually support and amplify one another in the context of PVR measures.

### **9.1.2 From untrustworthy alliances to constructive networks**

The second major weakness associated with PVR is the potential untrustworthiness of its associated business networks. Many critics of PVR are distrustful towards insular circles of employers, including business networks or traditional employer organisations, which are viewed as reactionary, self-interested or even as plain “immoral” (Gall 2004; McKinlay 2011, p. 94). These criticisms have been extended to those employer networks which have a moral or environmental focus as they may be considered self-congratulatory, and to lack the tangible, fixed standards of minimum compliance which are often considered to be necessary to achieve substantial improvements to labour standards (see Rothschild and Miethe 1999).

Another issue which authors such as Locke (2013, p. 35) have pointed out is that the auditing and monitoring processes in the context of collectivist award and benchmarking schemes are unreliable; he points out the:

*“enormous difficulties auditors faced as they sought to collect accurate, objective, and comprehensive information about working conditions and labour standards in the factories they inspected.”*

A related issue pointed out by Arrowsmith et al. (2004) is that, in the context of benchmarking, defining best practice may be difficult, as the data must be collected, collated, and made comparable. For this, agreements must be made on

which variables to measure, as well as how to measure them, which can be difficult, especially when measurements range across sectors, industries, and organisational sizes with different systems. Elmuti and Kathawala (1997, p. 236) add that voluntary benchmarks often remain concerned merely with quantitative outcomes since 'focusing on the numbers' is much easier than focusing on the reasons behind them. This can result in an obsession of placing in league tables to the detriment of the quality of the outcomes (see Sisson et al. 2003).

### **A competitive race to the top**

In the face of these criticisms from the PVR literature, I found that the competitive measures of BITC and Stonewall entailed a wide array of advantages which helped to counteract some of the disadvantages associated with collective PVR action. For instance, I found that despite a lack of fixed minimum standards, the self-monitoring and bespoke feedback, as well as the external and internal competition, *can* in fact lead to ever-improving levels of best practice standards and the gathering and evaluation of evidence. I found that a part of the competitive process in both BITC's Responsible Business awards and Stonewall's WEI benchmark was that employers were asked to work through a checklist to improve their labour standards. While some interviewees raised concerns regarding the reliability of the collected data, as well as the dangers of box-ticking and artificial ranking; others viewed the glass as half-full, rather than half-empty. These respondents pointed towards the usefulness of the data that is gathered through PVR. They felt that it was a good thing that companies chose – of their own accord – to be accountable, transparent, and externally evaluated. Broadly speaking, the competitions constructed and hosted by Stonewall and BITC were mostly found to positively contribute towards the improvement of workplace policies and practices in participating firms.

I also found that competition could continuously raise best practices in a more flexible and context-dependent manner in comparison to, for instance, legal regulation which is often fixed at a rigid minimum standard of compliance. This is analogous to Dickens (2000), who emphasises flexibility as one of the key advantages that collective bargaining can have over legal regulation. She claims that its

adaptability which is similar to that of PVR, allows it to be tailored depending on circumstances such as the locality, sector, time, and specific firm. Moreover, rather than being stuck on a minimum standard, I found that BITC and Stonewall actively use their awards and benchmarks to create frameworks with a 'moving target', so that firms begin to aim for an ever-improving level of best practice (see Singh and Zammit 2004). My empirical findings therefore supported authors such as Thomas (1990), who claims that in the context of EDI, the necessity to hire more women and minority groups pales in comparison to the problem of promotion: "[they] no longer need a boarding pass, they need an upgrade" (p. 6). For many of the firm representatives I talked to, the problem was for instance less about getting people (e.g. LGBT employees) into the company at the entry level; the problem was more about ensuring their fair and equal treatment across all levels. These are not hard and fast rules, but instead demand variability, flexibility, and the will to engage with the needs of individual employees.

### **Cooperatively sharing best practice**

In the context of harder forms of regulation (e.g. employment law), the threat of the stick is generally the principle mechanism through which firms are incentivised to comply; they therefore typically aim to remain unidentified and keep their heads down. Contrastingly, in the context of the collective PVR initiatives of BITC and Stonewall, many firms, in fact, try to stand-out. Especially, BITC as a business network aims to create a framework where firms can interact with one another through cooperation. Most employers reported that they feel relatively free to share their PVR practices, programmes, celebrate their successes, and even collectively learn from their failures. According to my findings, employers reported that they are, in these contexts, willing to cooperate to thus overcome the collective action problem by actively engaging with one another.

I found that both BITC and Stonewall have successfully created environments whereby employers can join and easily know what steps to take to change their labour standards with ease. They have created libraries of knowledge and networks of support, making it easy and convenient for employers to join in, and then either

through cooperation or competition incentivise changes in workplace policies and practices. BITC and Stonewall, together with their member firms were found to have created collaborative networks of firms that are willing to share best practice with one another, to collaborate on projects and to receive information directly from BITC and Stonewall. Nonetheless, it should be noted that in the context of collaborative networks, I found that there were some associated risks. For instance, some of the firms engaged in BITC's business networks were reportedly (over-)concerned with its prestige, other firms felt excluded from the tight-knit 'clicks', and some firms that joined the networks were often already engaged in PVR.

### **9.1.3 From shallow implementation to integrated governance**

The final criticism of PVR that was highlighted in Chapter Two is that the implementation of PVR within individual firms can remain weak. PVR has been criticised for being governed by firms in a tokenistic manner, as their PVR engagement might, at times, be merely short-term, aimless, sporadic and impromptu, without making any consistent or systemic changes to labour standards (Konrad and Lineehan 1995; Kuruvilla and Verma 2006). It was thus hypothesised that BITC and Stonewall might potentially lack the strategic skills, leadership, resources, and direction to implement firm level changes effectively.

#### **Leadership support**

Contrary to these potential risks, I found that in most of my firm level case studies the board and firm leadership actively supported their firms PVR initiatives and managed to create strategic and tactical changes. PVR initiatives were typically less effective when PVR was governed solely from the top-down as this could lead either to tokenistic implantations or to changes that were not embedded or disseminated across firms. Nonetheless, I found a surprising amount of top-level support and ownership which was most successful when changes were implemented in an incremental manner. I found this could also, over time, create shifts within the organisational culture of member firms.

**Employee networks and ownership**

Even more importantly however, I found that it was significant that individuals and groups of employees within the firm took ownership and responsibility for the firm's PVR. This stood in relatively stark contrast to traditional forms of regulation whereby the governance of change, power and agency typically lies, solely with top-level management, especially in large corporations (see e.g. Aguilera and Jackson 2010). Yet, when PVR is driven from the bottom-up it can also tap into employees' personal values and thus, convince them to take ownership and responsibility for achieving change within organisations. PVR can thus become empowering for employees at all levels of the organisation. Unlike other, traditional forms of coercive regulation, here, employees might voluntarily take ownership and responsibility for an issue and actively use their power and agency to change things within organisations from the bottom-up. The central advantage that this has over top-down induced changes is that it is 'owned' by the workers within the organisation. That is not to say that the support from the top-down is not helpful, if not essential. In fact, several interviewees pointed out that without top-down support, bottom-up governed PVR runs the risk of becoming dependent on individuals or small groups of individuals and potentially lacking direction or resources. These dangers, however, were strongly outweighed by its advantages.

Most significantly, many of case study organisations, especially those that are members of Stonewall, have created employee network groups which focus on specific issues that are (mostly) related to the protected characteristics under the Equality Act 2010. Rather than employee collective action being organised along traditional dimensions of class, industry, or occupation; instead, the collective organisation followed along the axes of identities from outside of the workplace, including race, disability, and sexual orientation (see Piore and Safford 2006). These employee network groups carried several distinct advantages for managers who are often aiming to get evidence on how to improve workplace cultures or employee engagement. Through this new form of bottom-up governance, managers could use employee networks to engage with employees and to incentivise them to share their views and experiences with them. This information was then often fed back up into

management to then create a more integrated organisational culture and create change not only from the top-down, but from the bottom-up as well.

Moreover, beyond this rather unitary perspective, from a pluralist or a radical perspective, bottom-up governance and the empowerment of employee networks could be valuable. Employees may be mobilising power and resources against their firm management that would not take significant action unless it is pressed to do so. This signifies that PVR contains a redistributive element to labour standards and therefore that bottom-up governance mechanisms are pressurising management for the redistribution of resources and power take place.

### **Multi-level governance**

What is perhaps most particular about PVR is that it can additionally incentivise people from throughout the organisation to come on board, thus, help to achieve a real organisational culture change. In this way, both top-down and bottom-up changes might work in conjunction with one another, which is in line with existing findings from other fields. For instance, in the context of protecting marine areas in the UK, Kelleher (1999, p. xiii) argues that the “design and management of MPAs [‘Marine Protected Area’] must be both top-down and bottom-up”.

In summary, concerning my third independent variable – governance – my findings indicate that while top-down governance can be advantageous when structural changes are incrementally made to alter organisational culture, these changes may remain tokenistic, especially when policies are not effectively translated into practices. On the other hand, I found that when bottom-up governance is supported from the top, the changes through PVR may become much more authentic and effectively integrated, thus, shaping and influencing labour standards.

#### **9.1.4 Overarching effects of PVR**

*“What I get from Stonewall and BITC is an intellectual challenge (...) those conversations with BITC or Stonewall, they tend to be much more*

*like: ‘Have you thought about doing this? How are you doing that? Have considered trying that?’ It is a more creative process” (Interview 67, director of HR, public organisation, 7.3.2018).*

The generalised effect of becoming a member of BITC or Stonewall according to my interviewees is that it provides them with a framework and continuous challenge to consider how to change their policies and practices so as to push forward to envelope of CSR and LGBT inclusion:

*“Stonewall enabled us to be progressive. After the index, Stonewall will tell us: ‘This is where you lost points.’ So, they might say you didn’t do enough around procurement or profiling role models. And that gives us the incentive to make our procurement process more inclusive (...) the result might be: ‘a better culture and more inclusive environment for our employees’” (Interview 56, diversity and inclusion manager, governmental organisation, 25.1.2019).*

An example of how Stonewall helped to focus the attention of my case study 7 of how to raise their labour standards regarding the issue of non-binary and transgender staff, one interviewee said:

*“Stonewall prompts us, asking the questions like: ‘How are you supporting your trans staff? Do you provide separate facilities?’ (...) gender neutral toilets (...) things like that. It has challenged us and make us focus more. Things like the web team and moving through the intranet and basically making sure all the information is gender neutral, wording in policies. Those practical things have helped make people think” (Interview 37, HR manager, HE organisation, 30.10.2017).*

Thus, according to my findings and in particular my interview data, both BITC and Stonewall help their membership organisations to raise their labour standards:

*“Stonewall enables us to be progressive (...) we have used Stonewall to become an LGBT inclusive organisation” (Interview 56, diversity and inclusion manager, governmental organisation, 25.1.2019).*

These general tendencies were not however completely equally distributed among my case study firms. In fact, there were some clear tendencies, whereby some firms indicated that business-case spoke more clearly to them, whereas in others it was the ethical case. Similarly, some felt stronger effects through competition, whereas others experienced the BITC and Stonewall memberships as rather

cooperative. However, it should be noted that while there were these tendencies, none of my firm level case studies were found to be using solely business-case or ethical framing, exclusively cooperation or competition between members, nor only top-down or bottom-up governance.

## 9.2 PVR and other regulation

An interesting finding of my study is that – despite searching for and openly asking in interviewees – about the relation between BITC and Stonewall’s usage of PVR and other forms of employment regulation, including joint and legal regulation, these were only extremely sparsely mentioned. One explanation for this – although it cannot be explicitly verified through my empirical data – is that my research participants, who were typically individuals who actively embraced the PVR process, were rather reluctant to engage with or even acknowledge the relevance of other forms of employment regulation, including both joint regulation with unions and legal regulation.

A harsher interpretation would be – albeit one which other authors have embraced (e.g. see Vogel 2008; Blackman 2008) before me – is that PVR might weaken or forestall other forms of regulation. The logic here could be that PVR advocates, including most of my research participants, would prefer the regulation of employment to move entirely towards voluntarism and thus either displace or forestall any harder forms of employment regulation (e.g. see Esbenshade 2004; Wrench 2005).

Contrary to this however, when asked about the relationship between PVR and other forms of existing regulation, most of my research participants contended that PVR is likely to support and reinforce the latter, including both collective bargaining and employment laws, especially the Equality Act 2010. Although mostly they only had a tangential interest in other forms of regulation, many did acknowledge that the law and collective bargaining agreements with unions could provide a helpful minimum standard which served both as a safety net, as well as a resource through which they could lever management into committing to doing more. While a critic of PVR might



expect these answers from proponents of PVR, it is telling that Stonewall as an activist charity and with considerable backing from many of its member employers has in fact lobbied government for stricter labour laws to protect and increase the rights of LGBT people.

Another supportive finding of the reinforcement hypothesis is that the law and existing agreements were often used as the basis for new EDI and CSR policies within the member firms of BITC and Stonewall, but that these would then often go beyond the minimum compliance standards. These findings are similar to Dickens (2000) who reported that there is generally a mutually supportive relationship between collective bargaining and existing legislation in the context of equality and diversity regulation. Thus, despite there being only relatively little mention of the law, my findings support authors such as Coslosky and Locke (2013), who argue that these public and private forms of regulation – despite barely communicating, let alone coordinating – nevertheless reinforce each other's actions and guide targeted firms towards a higher road with improved labour standards. Thus, my findings are cautiously supportive of the notion that PVR could also help to strengthen forms of employment regulation, including collective bargaining and labour laws. This is in line with Dickens (2007, p.483) who suggests that different forms of regulation should attempt: “to exploit potential complementarities and develop mutually re-enforcing strategies”.

In this context, it should also be noted however that although the law is often portrayed as being entirely underpinned by legal and moral case arguments (e.g. see Lombardi and Meier 2006), the reality might not be so. Even legal regulation is not necessarily void of business-case arguments, as Dickens (2007, p. 468) notes: “increasingly, any legislative intervention is justified in terms of promoting efficiency and competitiveness” (Dickens 2007, p. 468). Thus, in the law, moral and legal case arguments are typically also underlined with business-case arguments: “the articulation of a ‘business-case’, whether at the level of the enterprise or the economy, have always accompanied social rationales” (Dickens 2007, p. 469). In that sense, every type of regulation is potentially making some form of compromise between different types of framing.

Trade unions were also largely absent in my data. On the one hand, this may indicate that unions play virtually no role in the sphere of PVR. What is more is that employee groups which I identified in many of my member firms (e.g. LGBT networks), might be functioning as a form of alternative employee collective. One explanation of this might be that these networks are serving as a replacement for unions under a more unitarist tradition in neoliberal Britain. Analogous to Harvey et al.'s (2017) account of trade union participation in political CSR, these networks are functioning as mediators between employees and managers, and thus enhance the legitimacy and efficacy of the PVR initiatives. For instance, the LGBT networks of Stonewall members were shown to provide LGBT employees with a collective employee voice which feeds into management decision making and influence the type of policies that are passed by employers.

In contrast to unions however, employee networks are not directly centred upon issues of general employee concern such as pay, pensions, and health and safety, but instead are concerned with issues around new issues of employee identity, including sexual orientation, gender and disability (see Piore and Safford 2006). For instance, I found that those employers, including my case studies 7, 8, 9 and 10, which have an employee network for one of the protected characteristics under the Equality Act (e.g. sexual orientation), also have networks for other groups as well (e.g. disability). In this way, the employee collectives may be serving employers as they energise employees in the organisation and empower of ordinary staff to make positive changes. However, in addition, they allow management to obtain information on what staff are thinking and would like to change. Many managers seemed to find this information useful. A final observation might be that employer-managers might prefer employees to be grouping together and voicing their concerns and interests through employee network groups instead of unions, because firstly, these groups are typically not formed under quite as challenging issues (e.g. instead focusing on pay, they might focus on equality policies). Second, since firms often have several different employee network groups (e.g. disability, sexual orientation, and race), this might help to dilute the power and potential threat of collective labour within a firm.

## 9.3 Chapter summary

Most of the existing research on the effectiveness of PVR has quite harshly condemned PVR as a weak and ineffective way of regulating labour standards; especially, in the context of global supply chains, where PVR is often regarded as the only way in which labour standards are currently being regulated. My research is set within the entirely different context of the UK. My findings show that BITC and Stonewall are providing an additional layer of regulation beyond the minimum standards that employers are not required to uphold in face of the law. Rather than being criticised as a singular layer of regulation, it is perhaps more useful to conceptualise PVR as an additional, supportive layer of regulation which can build upon existing minimum standard regulations, formulating regulation in the interests of firms, providing useful cooperation and competitive mechanisms, as well as actively enabling firm level governance to flow from the top-down and the bottom-up.

## CHAPTER TEN: Conclusions

The purpose of this final chapter is to conclude my thesis. For this, I begin by summarising the project itself, including the study purpose, design, main findings, and the answers to my research question. I then highlight both the academic and practical relevance of the project and its contributions to the field of IR. Subsequently, I draw implications and provide recommendations to employers, policymakers, as well as membership organisations that utilise PVR. Following this, I highlight some of the flaws and limitations of my study; I point out what I have learned, and how I would approach the project differently in the hypothetical event of redoing the study. Finally, I provide an outlook on what future research studies might be useful to further understand and explore the notion of PVR, as well as how its design might be improved to have a positive impact on the world of work.

### 10.1 Final summary

At the outset of this study, I identified the regulation of employment and workplace conditions as a valuable concept which can help to protect employees within their often-skewed power relationship with employers. Based on my literature research, I found that a new regulatory tool had relatively recently been added to the existing mix of joint and legal regulation, namely PVR. I also identified that one extremely relevant expression of PVR in the national context of the UK is the growth of collective employer membership organisations, such as BITC and Stonewall. These organisations are using a large variety of collective PVR measures, including accreditations, certifications, awards, benchmarking tools, as well as consultancy and training. Finally, I highlighted that there are three main critiques surrounding PVR in this context, namely its non-enforceability, the untrustworthiness of collective business action, and the potential of shallow implementation on the firm level. However, despite these potential weaknesses, I contended that PVR demands further investigation: first from the novel perspective of private actor agency, and second within the national context of the UK.

To address these lacuna, I advanced an exploratory research design that relied on the iterative process of dialectical shuttling between reviewing existing ideas and concepts and gathering primary empirical evidence to develop a new theoretical argument. Three independent variables were identified, namely: framing, interaction and governance, which, I claimed, could have a significant impact on the processes through which PVR is delivered by organisations such as BITC and Stonewall, as well as on the way in which PVR shapes and influences my outcome variable labour standards. I applied a comparative case study approach which enabled me to strike a balance between illustrating the depth and richness of my case study organisations, while nonetheless making some cautious abstractions and generalisations to develop new theoretical elements surrounding the success or failure of PVR in regulating work and employment in the UK. I used a multi-method data collection, including three qualitative methods and one quantitative method, and then triangulated the collected data.

First, I found that the concept of framing from the social movement literature (e.g. Snow and Benford 1992) provides an exceptionally useful lens through which to explore PVR. I demonstrated empirically that the way in which BITC and Stonewall frame PVR vis-à-vis their member firms has a significant impact both on the process through which PVR takes place, as well as on firms' labour standards. On the one hand, incentivising employers to engage in PVR through positive framing, especially through business-case frames can, at times, results in superficial changes to labour standards or even in the creation of smokescreens to hide malpractice. Yet, on the other hand, employers' motivation to engage in PVR through positive framing, and especially through ethical frames, can result in profound changes to workplace practices and even ideological shifts within member firms. Finally, the combination of business-case and ethical framing provides a stronger basis of incentives for firms to make changes to their workplace policies and practices, especially when these are backed up by an existing legal framework.

Second, my thesis has demonstrated that PVR should not solely be examined from the perspective of individualism (Özbilgin and Tatli 2011), since a variety of collective organisational structures (e.g. see Williams et al. 2011; Demougin et al.

2019), are emerging which inherently emphasise the collectivist potential of PVR. I found that the type of interactions between the member firms of BITC and Stonewall presents a significant process in the delivery of PVR and on the impact that this has on labour standards. More specifically, I found that the interactive mechanisms of competition and cooperation each carry several distinct advantages, including the creation of a race to the top of innovative amendments to workplace policies and practices, and the sharing and dissemination of best practices respectively. However, both interactions also carry specific risks, as in some cases competition may merely become a tick-box exercise, whereas cooperation can, at times, lead to the creation of self-congratulatory networks. Finally, my findings suggest that the combination of competition and cooperation may provide a useful and balanced process through which the workplace policies and practices of firms interacting in the sphere of PVR may experience the greatest improvements to their labour standards.

Third, I found that while many existing studies of PVR focus on the abstract development, and furtherance of PVR initiatives (e.g. Fransen and Conzelmann 2015); fewer studies have investigated the implementation of PVR in workplaces. However, my findings highlighted the importance of private agents on all levels of the firm and their internal governance of PVR which significantly impacts the way in which PVR is delivered within the workplace and the extent to which it affects labour policies and practices. On the one hand, top-down governance carries the advantage that it can help align PVR initiatives with the organisational strategy and provide the necessary resources; however, without staff involvement it carries the risk of becoming tokenistic and inauthentic. On the other hand, bottom-up governance can enable individuals, employee network groups or even entire organisations to stand behind and take ownership of PVR initiatives, thus, giving it more purchase; although it carries the danger of becoming individual-dependent or of lacking the necessary resources. Once again, when these forms of governance are effectively combined, my data suggests that the purchase of PVR in shaping and influencing labour standards becomes much stronger as their respective strengths offset their counterparts' weaknesses.

The essential worth of this research is that I identify and provide a detailed analysis of three thus far unidentified and yet highly relevant independent variables on the two separate levels of analysis, namely the collective organisation and the firm. I then demonstrate through detailed empirical findings how, under specific actor-centric conditions, PVR can effectively contribute towards the regulation of labour standards in the UK, such as demonstrated through my case study 10. I argue that PVR should not simply be condemned as a weak and ineffective type of regulation. Instead, when private actors manage to successfully influence PVR through framing, interaction, and governance, then PVR can in fact strongly impact labour standards and contribute to the increasingly complex tapestry of British employment regulation. The irony is that precisely those alleged weaknesses of PVR – namely its non-enforceability, the untrustworthiness of collective employer actions and its shallow implementation – which can, through private actor agency, be transformed into the strengths, namely positive framing, constructive networks, and integrated governance. Those very elements of PVR that are condemned as fundamental weaknesses can, under the right conditions, become PVR's strengths.

## **10.2      Relevance and value**

This study contributes to the ongoing debate surrounding PVR by using empirical evidence to develop a nuanced theoretical argument which identifies the relevant processes and conditions under which PVR, through the agency of private actors, succeeds or fails in effectively raising labour standards. This research is therefore firstly relevant for membership organisations that utilise PVR methods (e.g. BITC and Stonewall) as it can help them to rethink the ways in which they design and frame their PVR initiatives. Secondly, it is important for firms that are either already attempting to shape and influence workplace standards through non-traditional methods or are interested in using PVR in the future, either entirely on their own or with the help of membership organisations. Thirdly, this project is also relevant for governments, unions, and other organisations with a potential interest in PVR, as they may be interested in how to tap-into and stimulate PVR measures and effectively promote improved workplace standards for employees.

Finally, IR researchers who explore the regulation of work and employment in general or in PVR more specifically should have an interest in this study as it helps us to better understand the actor-centric mechanisms that influence the effectiveness of PVR. This is particularly relevant in the current changing regulatory context of work and employment in the UK. For instance, Dickens (2004) points out that the nature of work and employment is rapidly changing in the UK and that employment regulation will have to adapt as well in order to avoid “problems of fit” (p. x). However, she further highlights that joint and legal regulation might suffer from inertia which is why the UK government has recently favoured softer approaches to regulation. Therefore, our understanding of PVR which is more easily adaptable, is highly relevant as it can, under the right conditions, help to fill the gaps in the regulation of work and employment, where the law might remain too inert and inflexible.

My thesis provides the reader with a deeper understanding and a new perspective of the processes and delivery of PVR within the national context of the UK. The central value of the study is in the detailed description of how two influential PVR membership organisations, BITC and Stonewall, are delivering PVR to their member firms and how their member businesses are implementing changes in their workplaces. In this context, I emphasised the importance of private actor agency – which, I argue, is a highly relevant addition to the, so far, largely structural perspective of existing PVR studies. I identified and described three highly important independent variables and actor-centric conditions which influence the process, delivery, and success of PVR in affecting labour standards in the workplace.

### **10.3 Implications and recommendations**

The first implication and recommendation which flows from my research is that PVR should not merely be brushed aside as a weak form of regulation but should be considered a potentially valuable addition to the regulatory mix with the aim of improving labour standards. Nonetheless, this does not mean that the value of PVR should be overstated either. My findings do not imply that PVR should be used to replace, crowd-out or forestall other forms of harder regulation, such as employment



law or joint regulation through employer-employee negotiations. While the relationship between PVR and other forms of employment regulation have been rather peripheral to this study, my findings suggest that the success of PVR in fact depends on other, more firmly institutionalised forms of regulation through collective bargaining and legally binding forms of legislation. These provide a basis or foundational structure on which better labour standards can be established with the help of PVR. It can therefore potentially build-on, and compliment these more firmly embedded forms of employment regulation, such as by acting in the shadow of existing employment laws. In agreement with Dickens' (1999) three-pronged regulatory approach, my work suggests that a multi-level regulatory approach with more and less institutionalised forms of regulation can overlap, and mutually reinforce one another.

Positive framing, I found, can provide useful positive incentives for employers to build intrinsic motivations to engage with the regulation of labour standards. In particular, business-case framing is a useful way in which regulators can present and formulate regulatory tools in the financial interest of firms. On the other hand, ethical framing can help to ensure that the reasons why these regulatory initiatives are being established are not forgotten through the creation of external incentives. It is nonetheless important for regulators to consider the weaknesses of business-case and ethical framing and to ensure that PVR is backed-up by harder forms of regulation in order to avoid firms using PVR frameworks to merely look good or even to hide other malpractices.

Regulators can also make use of firms' willingness to collectively engage with one another in different ways. First, the inherent determination of businesses to compete against one another can be used to create a race to the top of labour standards. By establishing prestigious competitions that employers want to participate in, this might incentivise them to continuously measure and monitor their own policies and practices, voluntarily submit those data, accept bespoke feedback to improve their labour standards, compete internally (with their own previous score), as well as externally with other organisations to continuously raise their labour standards. Second, by creating networks of knowledge, firms might voluntarily engage

in accumulation of relevant knowledge from PVR bodies, as well as from other firms through cross-organisational learning. Moreover, they may choose to coordinate their PVR engagement in communal projects, thereby increasing the effect and sustainability of those initiatives. Nonetheless, regulators should be aware of the potential pitfalls of firm competition and cooperation as some might merely be box-ticking and others might merely be interested in upholding a self-congratulatory façade and participate in prestigious networks.

Finally, I recommend that regulators and employers should remain aware of the various advantages and disadvantages of top-down and bottom-up governance. In particular, top-down governance is useful where changes that are in line with the firm's values are tactically and incrementally and drip-fed into the organisation. However, tokenistic governance is real danger, especially when policies are not effectively translated into practices or disseminated across the company and where the board does not live up to the values they claimed to be driven by. On the other hand, I found that in order for PVR or any form of regulation to really 'bite' it is essential that individual employees, and, to a certain extent, even the entire organisations take ownership of an help change the organisation culture from the bottom-up. Especially, employee network groups (e.g. LGBT networks) were found to be an invaluable tool to both drive internal change and provide feedback loops of information to firm management on the success of change. However, I found that without the support from employer-managers, individual agents of change might lack sustainability, direction, support, or the resources to achieve the aspired changes to labour standards.

It should be noted that while these recommendations are perhaps particularly useful for those engaged in PVR specifically, many of them may also be important for those engaged in legal regulation or even joint regulation more broadly. For instance, as discussed in the literature review, few forms of regulation are entirely hard or soft, many are becoming increasingly hybridised or reflexive, and may thus affectively make use from these recommendations.

## 10.4 Outlook and future research

The research design in this thesis was largely exploratory and, at times, even tended towards a grounded approach with a vast number of qualitative findings and indicative evidence. This was extremely useful, as it allowed me to explore the lacuna of PVR's effect on my outcome variable labour standards in the field of IR in an open-minded way and to identify previously unexplored issues and independent variables. Due to this exploratory tendency, my decision to use the concept of 'labour standards' as my outcome variable only towards the latter half of the PhD process. It therefore proved difficult to retrospectively operationalise the variable of labour standards in a clearly measured and containable manner, and to provide replicable evidence of this outcome variable. Future explorations of the effect of PVR could thus potentially benefit from an initially more precise operationalisation of labour standards as an outcome variable, so as to measure, demonstrate and potentially even quantitatively calculate with more exactness the causality between independent and outcome variables. For instance, the effects of specific workplace policy types and designs could be measured to draw conclusions on the success and failure of PVR in raising labour standards.

Based on my research findings it would also be extremely interesting, in a future project to test whether the three actor-centric variables which I identified in this project also have a considerable impact in the case of other types of employment regulation (e.g. joint and legal regulation), or perhaps even in other forms of regulation, beyond the field of IR (e.g. regulation of chemicals in food). For these projects, I would suggest that the outcome variable, whether it be labour standards or otherwise, is operationalised from the onset to capture more accurately the causal effects of the variables framing, interaction, and governance.

Another interesting subject for future research would be to consider how, in more detail, structural and actor-centric elements of PVR, and or employment regulation more broadly overlap and interact with one another. For instance, it would be interesting to consider whether business-case framing had a greater measurable impact in certain firms, such as those who exposed to greater public scrutiny as they

are customer facing or in the public eye. Moreover, ethical framing might have more purchase in those firms that make a greater turnover per employee as they can afford to indulge in the conscience of their managers in comparison to firms who are more financially constrained in the competitive market.

A final, potentially interesting future project might explore how PVR interacts with and impacts other types of regulation, including joint and legal regulation. In this study, my focus on comparing PVR with other more established forms of regulation was merely peripheral to the project. In order to draw conclusions on the best way of regulating work and employment in the future, I believe more research is essential to specify which type of regulation is most suitable to which context and how these types of regulation can and should, ideally, interact with one another.

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## Appendices

### Appendix A: Interviewee information sheet



#### Information sheet



**Title of research project:** “The evolving institutional setup of private voluntary regulation – An investigation of new equality and diversity actors of UK employment relations”

**Researcher:** Philippe Demougin

Thank you for the interest you have shown in my research project. The following information provides an overview of the research and reassures confidentiality and anonymity of research participants.

***What is the purpose of the research?*** The research objective is to gain an understanding regarding the effectiveness of private voluntary instruments to shape and influence employment relations and raise equality and diversity standards in British businesses. Previous research has shown that private voluntary measures of influencing employment exist, particularly in global supply chains such as through codes of conduct. However, less is known about private voluntary ways of shaping employment within the UK and about the conditions that influence whether these voluntary instruments of influencing practices are more or less successful. I aim to address this research gap.

***Why have you been invited to take part in the research?*** You have been invited to take part in the research because you have knowledge of private voluntary ways of shaping and influencing employment surrounding the issues of equality and diversity. Please note that while your contribution is greatly valued, participation in this research project is voluntary. This means that you are also free to withdraw from the research at any time, without giving a reason.

***What will you have to do?*** Participation involves an approximately 45-60 minute interview. It would be preferable if the interview could be audio recorded. However, this possibility is governed by your preference.

***Will everything you say remain confidential?*** This research has been approved by Cardiff Business School’s ethical committee. This means that all collected data will only be used in conjunction with the Data Protection Act 1998, and will be treated with the utmost confidentiality and anonymity. Your name will not appear in any publications. Audio recordings and transcripts will only be accessible to me. You are also welcome to review a copy of your interview transcript and suggest amendments.

***What will happen to the information collected?*** The information collected as a result of your participation will directly contribute to the completion of the research project. I will mainly use it for writing up academic articles and the completion of my PhD thesis. I would be happy to share my results with you and even present my research at your organizations, if this would be of interest to you.

***Who is funding and organising the research?*** The research is funded by the Economic and Social Research Council. The research will be entirely managed and conducted by myself.

***What if you need more information?*** If you require more information about the research, or if you have any unanswered questions, please do not hesitate to contact me by email ([demouginpr@cardiff.ac.uk](mailto:demouginpr@cardiff.ac.uk)) or telephone (07983-630-753).

*Once again, I would like to thank you for supporting my research project. I look forward to meeting you.*

## Appendix B: Interviewee consent form



### Informed consent form



**Title of research project:** “The evolving institutional setup of private voluntary regulation – An investigation of new equality and diversity actors of UK employment relations”

**Researcher:** Philippe Demougin

I understand that my participation in this project will involve an interview which will require between 45-60 minutes of my time.

I understand that participation in this study is entirely voluntary and that I can withdraw from the study at any time without giving a reason.

I understand that I am free to ask any questions at any time. If for any reason I have second thoughts about my participation in this project, I am free to withdraw or discuss my concerns with Dr. Marco Hauptmeier ([hauptmeierm@cardiff.ac.uk](mailto:hauptmeierm@cardiff.ac.uk)).

I understand that the information provided by me will be held confidentially and securely, such that only the researcher, Philippe Demougin, can trace this information back to me individually. The information will be retained for up to 1 year and will then be anonymised, deleted or destroyed. I understand that if I withdraw my consent, I can ask for the information I have provided to be anonymised/deleted/destroyed in accordance with the Data Protection Act 1998.

*Please check box*

Yes                      No

I agree to the interview being audio recorded.

I would like to receive a copy of my interview transcript.

I agree to the use of anonymised quotes in publications.

I, \_\_\_\_\_ (NAME) consent to participate in the study on private voluntary instruments which shape and influence British employment relations by Philippe Demougin from Cardiff Business School, Cardiff University, under the supervision of Dr. Marco Hauptmeier.

Signed:

Date:



## Appendix C: Interview guide



### Interview guide



#### 1. Introduction

- a. Introduce myself and research.
- b. Give Information Sheet and Consent Form to interviewee.
- c. Emphasise voluntary participation.
- d. Mention funding.
- e. Emphasise confidentiality.
- f. Ask for permission to record interview.
- g. Mention feedback of interview, available reports & possibility to review copy of the interview transcript to suggest amendments.

#### 2. Historical background

- a. Date of foundation
  - When was the [organisation] founded?
- b. Issue [2.81]
  - What is the main issue(s) the [organisation] focuses on?
- c. Circumstances
  - What were the circumstances that led to the foundation of your organization? What was going on historically, politically and socially?
  - Did the [organisation] receive any state support?
  - Was there any trade union pressure?
  - Were other actors, e.g. employers, governmental agencies or CSOs, involved?
- d. Identity of founders
  - Who were the key people involved in founding the organization? Who became the first president?
- e. More recent key turning points or stepping points
  - What were key stepping stones in the development of your organization?
  - Are there any key recent important developments, such as for example: a change of issue focus, your issue approach, mergers or any major organisational or policy changes?
- f. Written account
  - Is there a written account of the foundation of the organization or does the organisation have a written Charta?

#### 3. Membership

- a. Membership categories
  - Do you have different types of membership (beyond individual businesses)? Who can become a member?
- b. Subscription and Fees
  - Are there different subscription levels?
  - How much is the membership fee for each subscription level?
- c. Membership characteristics compared to sector profile
  - What type of companies become members in your organization?

- How do your members compare with the general sector profile?
- Are certain types of companies that tend to be more active than others?
- d. Type of employer and their compliance with your standards
  - Which employers tend to be the ones which perform the best/worst?
  - Industry? Size? Geographical location?
  - Type of management strategy?
  - Are some companies more within the public eye and others are rather hidden within the supply chains? **[2.8.6]**
- e. Membership numbers and Trends
  - How many members does your organization have?
  - How has the membership developed (over the last couple of years/since its foundation)?
- f. Competition for members with other organizations
  - Do you compete with other Organizations (e.g. EOs, EFs, NGOs or CSOs) over members?
- g. Recruitment
  - How do you recruit members? (e.g. webpage, recruitment campaigns)
- h. Obligations of members
  - What are the obligations of being a member?
- 4. Governance of organisation**
  - a. Sovereign body or council
    - Which is the sovereign body?
  - b. Executive body
    - Do you have an executive body?
  - c. Paid officers & managers
    - Which paid officers and managers do you have in your organization?
  - d. Departments & functions
    - What departments does your organization have?
    - Which are the specialized functions of your organization?
  - e. Membership conference
    - Do you have an annual membership conference?
  - f. Branch & network structure(s)
    - Do you have subsidiaries?
    - If so, where are they based?
    - What is your branch structure?
  - g. Activist members
    - Are members involved in running the organization?
    - If so, how are they involved?
  - h. Internal politics; ideology, size of member etc.
    - Are there different political currents in your organization?
    - Can you give an example of internal politics in your organization?
- 5. Relationship to other IR actors [2.8.3]**
  - a. Unions
    - What is your organisation's attitude towards unions?
    - Are unions aware of your organisation and its activities?
    - Would you say that unions are generally supportive or more resistant towards your organisation and its activities?
    - Is there any overlap or competition between your organisations?

- Have you ever collaborated with unions over any matters?
  - Do you receive any funding from unions?
  - b. Employers, employer organisations and EFs
    - What is your organisation's attitude towards employers and their organisations?
    - Are employers/employer organisations aware of your organisation and its activities?
    - Would you say that other employers/employer organisations are generally supportive or more resistant towards your organisation and its activities?
    - Is there any overlap or competition between your organisations and employers/employer organisations?
    - Have you ever collaborated with employers/employer organisations over any matters?
    - Do you receive any funding from employers/employer organisations?
  - c. Government and governmental agencies
    - What is your organisation's attitude towards the government and its governmental agencies?
    - Is the government aware of your organisation and its activities?
    - Would you say that governments are generally supportive or more resistant towards your organisation and its activities?
    - Is there any overlap or competition between your organisations and governmental projects?
    - Do you collaborate with government over any matters?
    - Do you receive any funding from government?
  - d. NGOs, CSOs and private interests groups
    - Do you have a relationship with civil society and other organizations that speak for workers?
    - What is your organisation's attitude towards other NGOs, CSOs and private interests groups?
    - Are they aware of your organisation and its activities?
    - Would you say that NGOs, CSOs and private interests groups are generally supportive or more resistant towards your organisation and its activities?
    - Is there any overlap or competition between your organisations?
    - Do you collaborate with them over any matters?
- 6. Instruments and services**
- a. Type of instruments, measures and services
    - What type of services do you provide?
    - Advice, advocacy and consultancy?
    - Training and seminars?
    - Membership events?
    - Informative documents and case studies?
    - Guides and toolkits?
    - Codes of conduct, standards of good practice and charters?
    - Award schemes?
    - Benchmarking schemes?
    - Standardisation of practices, monitoring and enforcement?
  - b. Strengths and weaknesses
    - What do you feel are the respective strengths and weaknesses of the measures?
    - Which are the most important and least important services?

- c. Formulation **[2.4]**
  - How are the measures, (e.g. standards of good practice) formulated?
  - Are they specific & precise or rather broad & ambiguous?
  - Who decides on how they are formulated?
  - Are they revised? How often? By whom?
  - Do member companies get a say?
  - Do the employees of the member companies receive a voice? **[2.8.10]**
- d. Accompanying tools or mechanisms **[2.8.7]**
  - Do any other tools or mechanisms accompany the individual measures? E.g. do member receive training consultancy, events, guides or toolkits to help them apply a benchmark properly?
- e. Existing legislation **[2.8.2]**
  - Is there any public legislation that your measures refer to or overlap with?
  - To what extent are you helping your members comply with the law and to what extent are you perhaps helping them go beyond the law?
  - Does your organisation and its members generally feel that the law should be stricter, less strict or is just right?
  - Is there any conflict or contradiction or displacement between your measures and existing public regulation?
  - Do you think some employers are perhaps willing to comply out of fear that if they do not legislation could get stricter [forestalling public regulation]?
- f. Implementation **[2.8.5]**
  - What is the process from which your members (try to) implement the regulation measures?
  - What does implementation look like on the ground level?
  - Is there a variation between those businesses who take it seriously and those who do not?
- g. Monitoring **[2.8.8]**
  - How is the progress of companies monitored?
  - Who monitors the implementation and progress? Self-monitoring, whistleblowing or more rigorous external monitoring?
  - Is there any information gathered from the workers' perspective, do they get a voice? **[“2.8.10]**
- h. Enforcement **[2.8.9]**
  - Is the regulation measure enforced?
  - If so, who enforces the regulation measures?
  - What kind of enforcement is used? Moral, social pressure? Naming and shaming? Lenient penalties? Harsh, pecuniary penalties?
- i. Wider impact **[2.8.11]**
  - Do you know whether the regulation measure has had any wider impact beyond the targeted businesses?
- j. Recent changes in measures
  - Has there been a shift in terms of the services you have provided to your members?
- k. Services restriction
  - Are your services restricted to members?

## 7. Representation by organisation

- a. Interface with government

- How do you interact with governments?
  - Do you respond to policy proposals?
  - Is your organisation represented on permanent bodies or temporary commissions or even in parliament?
- b. Levels of activity
- At which level of government are you active?
  - Local?
  - Regional?
  - UK, national?
  - European, supranational or international?
- c. Types of agency: LPC, ACAS, BIS, training bodies, enforcement agencies
- Which government bodies are you interacting with?
- d. Current issues: apprenticeship; minimum wage; health & safety
- What are current policy issues you are working on?
  - What is your current focus in politics?
- e. Providing services under contract to government; government funding
- Do you provide services that are financed or contracted by government?

#### 8. Interviewee

- a. Career history in outline
- Which were important steppingstone in your career?
- b. Training and development background
- What was your training and background?
- c. General HR background
- What is your background in the areas of employment relations, HRM and E&D?

#### 9. Future research

- a. Other interviewees
- Can you recommend other interviewees I should talk to from your organisation?
- b. Member organisation interviews
- In researching the success of your activities in effectively changing workplace practices in your member firms it would be useful to get their opinion on the pros and cons of those instruments. Can you recommend any potential interviewees from your member organisations?
- c. Survey of member organisations
- Conducting a survey with you member organisations could potentially also be a useful tool. I have drafted some questions here. Perhaps you would like to give me some input on what your organisation would also be interested to know so that I can include those questions in the survey and share those findings with you. Do you want to have a look at the survey? Would you be willing to disseminate the questionnaire to your member businesses?

#### 10. Is there anything you would like to add?

#### 11. Is there anything you would like to ask me?

## Appendix D: Approved Ethics Letter



Cardiff Business School  

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Ysgol Busnes Caerdydd

Demougin,  
Philippe  
Cardiff  
Business  
School

07 June 2017

Dear Philippe:

Ethics Approval Reference: 1617030

Project Title: The evolving institutional setup of private voluntary regulation – An investigation of new equality and diversity actors of UK employment relations

I would like to confirm that your project has been granted ethics approval as it has met the review conditions.

Should there be a material change in the methods or circumstances of your project, you would in the first instance need to get in touch with us for re-consideration and further advice on the validity of the approval.

I wish you both the best of luck on the completion of your research project.

Yours sincerely,

Electronic signature via email

Debbie Foster  
Chair of the ethics sub-committee  
Email: CARBSResearchOffice@cardiff.ac.uk