Sustainability Challenge # 14

WINDOW DRESSING

1. Introduction: the CSR debate[1]

Is corporate social responsibility (CSR) an invention of public relations, a greenwashing tool, an act of window dressing? Considering the profit-driven nature of businesses, without hesitation, many would reply *Yes, it must be*. The business community is all too familiar with such skeptical views yet continue to stress the value they place upon being socially and environmentally responsible. For instance, more frequently are multinational corporations (MNCs) publishing their employee code of conduct to communicate corporate policy taken towards environmental and social issues. Similarly, environmental policies, sustainability reports and corporate citizenship reports are increasingly being communicated. While skepticism of the sincerity and internal commitment of these messages persists such beliefs are yet to be substantiated. NGOs have attempted to convince the public that CSR is a hoax but have failed to provide in depth evidence of such accusations. CorpWatch's 'Greenwash Academy Awards' presented to renowned MNCs, for instance, lack sizeable proof that such activities are indeed actively pursued. Rather, it seems that corporate advertisements, intended to express their commitment to CSR, are employed as ammunition by NGOs to target the largest and most visible corporate polluters. In addition, academics, as neutral parties in this CSR debate, acknowledge such critical views yet primarily focus their attention on the benefits of and factors which may affect (or have affected) CSR.

Studying as well as implementing CSR remains a daunting task. For one there is, as of yet, not one universally accepted definition (Cetindamar and Husoy, 2007). Rather a multitude of descriptions and definitions have been provided in an attempt to capture the ingredients that make up sound CSR policy. Academics such as Cheah et al. (2007: 433) define it as 'a multi-dimensional concept encompassing a wide range of business

[1] This issue dossier was written by Dagmar van den Brule. It presents a further elaboration of some of the intricate problems surrounding the correct implementation of CSR strategies as introduced in chapters 8, 9 and 12 of the IB-SM book. The inclination to engate in windowdressing (or buffering) is particularly strong with firms that have an in-active or re-active CSR strategy. This dossier is aimed at providing a good analytical framework for identifying windowdressing. Further information amd empirical evidence can be found in the master thesis 'Undressing the Window: Behind Messages of Corporate Social Responsibility' (van den Brule, May 2008, RSM Erasmus University). Last updated: September 2008

practices and activities that go beyond a firm's operations'. Fukukawa and Moon (2004: 46) specify further that the goal of CSR is to 'enhance society [but] is removed from business for-profit activity and is voluntary and thus not required by law or any form of government coercion'. The business community has also taken an interest in CSR, responding to the issue of sustainability. Consisting of, and managed by, CEOs of approximately 200 companies, the World Business Council for Sustainable Development (WBCSD), for example, focuses primarily on economic sustainability. According to the WBCSD (2000: 10), CSR should demonstrate a 'commitment […] to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life'. As watchdogs of corporate conduct, Friends of the Earth International (FOEI) address such activities from a global societal perspective. They view CSR as promises made by MNCs to 'go beyond their existing legal obligations to address issues of sustainability, development, and human rights' as such that 'the values that drive multinational corporations are compatible with the values that drive society and our concern for the environment and human rights' (FOEI, 2003: 32). As each firm's CSR strategy is unique and voluntary, thus not under scrutiny of the law, accusations of window dressing are therefore difficult to substantiate.

2. What is window dressing?

As of yet the term *window dressing* has been used in popular fashion, adopted from financial vocabulary, which may define such activities as 'the use of short term financial transactions to manipulate accounting values around quarter-end reporting dates' (Allen and Saunders, 1992: 586). Whereas the financial meaning of window dressing has been determined, definitions of window dressing by using CSR are largely lacking. However, Weaver et al. (1999) and Griffin and Weber (2006) (see table 1.) provide theoretical insight that window dressing is a strategically determined activity. They suggest that decoupling occurs where CSR takes little strategic value in core decision making and would only become a concern at later stages of the external communication process where reputation is best managed and created. Commitment to CSR as such is purposely avoided resulting in inconsistencies between actual CSR and the messages communicated to the public. Window dressing, therefore, may be viewed as activities served to alter public perceptions by communicating positive social responsible behavior while rejecting internalization of CSR policies.

Table 1 Defining window dressing

Definitions
'Covering up/concealing a disputable practice'. (Brinkmann and Ims, 2003: 268)
'Short term development of a higher level of corporate social outcomes' which are 'superficial''. (Gond and Herrbach, 2006: 362)
'[…] without top management commitment stakeholder-related activities can be **window dressing**. Easily decoupled activities and policies may suggest that daily thinking about some stakeholder activities are not commonplace for managers throughout the firm'. (Griffin and Weber, 2006: 417)
'[…] corporate responses to pressures for responsible behavior tend to be **'window dressing'**, responses that can easily be decoupled from normal, ongoing organizational activities'. (Weaver et al., 1999: 539)

Window dressing is an aggregate term to denote any of a number of specific activities. *Whitewash*, *bluewash* and *greenwash* are primarily mentioned by NGOs (table 2.). *Bluewash*, for instance, criticizes corporations which associate themselves with the 'humanitarian community through voluntary association with the United Nations, without provisions for accountability' (FOEI, August 23, 2002). One of these enablers is the UN Global Compact which comprises ten principles based on global issues such as human rights and environmental impact. Subscribed members are required to refer to the integration process of these principles in its annual report of which a short statement is to be provided on the global compact's website (Williams, 2004). Only when failure occurs to deliver on the latter can membership be withdrawn. Precisely for that reason, the Global Compact is criticized for enabling firms to reap benefits without complying with the prescribed principles, thereby enabling window dressing (Behrman, 2001; Hoedeman, 2002). FOEI (August 23, 2002) categorizes *whitewash* under the popularly used term *greenwash*. *Greenwash* may be defined as 'the phenomenon of socially and environmentally destructive corporations attempting to preserve and expand their markets by posing as friends of the environment and leaders in the struggle to eradicate poverty' (FOEI, August 23, 2002). Criticism occurs through, for instance, the 'Greenwash Academy Awards', developed by CorpWatch (March 2001), which aims at singling out the most sophisticated greenwashing programs (box 1).

Box 1. The Greenwash Academy Awards

The Greenwash Academy Awards are aimed at revealing the truth behind misleading corporate statements as well as putting a stop to political strategies intended to convince national governments to allow firms to regulate their own behavior (CorpWatch, March, 2001). Awards for which MNCs are nominated include ‘Best Greenwash’, ‘Best Make Up’, ‘Best Supporting UN Agency’ and the ‘Lifetime Achievement Award’ (CorpWatch, August 23, 2002). Presented on a ‘bimonthly’ basis, the awards are reserved for firms ‘that put more money, time and energy into slick PR campaigns aimed at promoting their eco-friendly images, than they do to actually protecting the environment’ (CorpWatch, March 2001). Criticized for costing much more than the actual green investment itself, the award was presented to BP in 2002 for its ‘Beyond Petroleum rebranding campaign’ (FOEI, GroundWork and CorpWatch, 2002).

However, while implying with certainty that firms such as BP are increasingly greenwashing their corporate activities, substantial evidence is lacking. CorpWatch, for instance, provides little transparency with respect to the criteria used and methodology employed to single out such behavior. In addition, claiming to take place on a bimonthly basis, the archived publications showed a gap between 2002 and 2008. At the end of 2002 CorpWatch (November 7, 2002) announced that General Motors’ automobile advertisement won the greenwash award for ironically using a polar setting, known to be affected by global warming that has been, for a large part, created by the automobile industry. The next report on the website is not posted until the beginning of 2008, referring to another award ceremony: the ‘Public Eye Awards’. Similar to the former awards, greenwash was used as its prime criteria.

Further, clear definitions and criteria on which the nomination procedure is based are lacking. The vague definition provided by CorpWatch (March, 2001) as ‘disinformation disseminated by an organization so as to present an environmentally responsible public image’ yields little guidance concerning how to distinguish between corporate honesty and deceit. The lack of available information between 2002 and 2008 has also hampered the creation of a list of corporate winners and runner ups over the past five years. Contacting CorpWatch to retrieve such a list proved unsuccessful as the NGO replied that reference should be made to the Public Eye Awards. These were developed in 2000 and have been in effect since 2005. The following nominees and winners were recorded in the Human Rights category:

	2005	**2006**
Nominees	Bayer	Coca-Cola Company
	Bechtel	Delta & Pine Land Company
	Boehringer	FILA
	Cement Roadstone	Gap Inc.
	Nestle	Nestle
	Syngenta	
	Toronto Ventures	
	Total and Unocal	
Winner	Dow Chemical	Walt Disney Company

Box 1 (continued) The Greenwash Academy Awards

The nominees and winners in the environment category included:

	2005	2006
Nominees	Conservation International	Alcoa
	Danzer	Bayer
	Monsanto	Coca-Cola Company
	Mitteldeutsche Braunkohlegesellschaft (MIBRAG)	Dalhoff Larsen & Horneman
	RD Corporation	Gunns Ltd.
	Sung Hung Kai Properties and New World Development	Karachaganak Petroleum Operating B.V.
		Novartis International
		Tesco Plc.
		Vattenfall Europe
Winner	Royal Dutch/Shell Group	Chevron Corp.

The extent to which nominees and winners have engaged in greenwashing remains unclear as CorpWatch fails to provide adequate information and evidence of corporate misconduct. Therefore, as transparency is an important determinant of corporate trust, and CorpWatch appears to lack such transparency it may be suggested that CorpWatch could also be accused of manipulating public perception.

Another popularly used term is *public relations (PR)*: corporate advertising strategies aimed at displaying a caring image to the public (Dalton and Cosier, 1982). Greenpeace (August 24, 2002), for instance, criticizes publicity campaigns by MNCs such as Monsanto, an agricultural firm, for spending ‘millions on public relations campaigns of misinformation and warm fuzzy feelings’.

Table 2 Accusations of window dressing

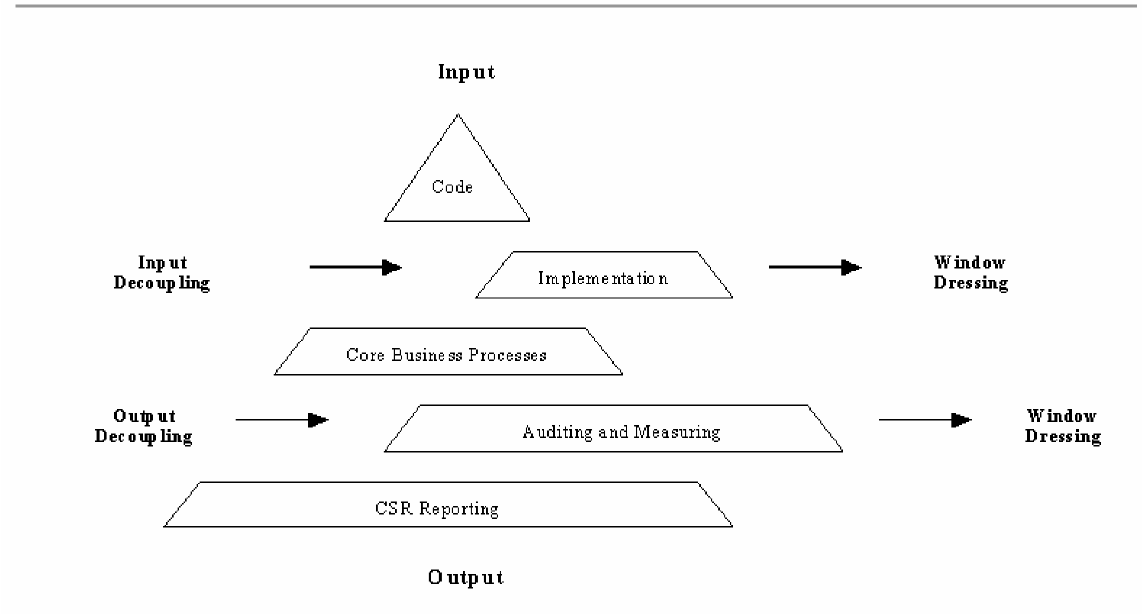
Definition
Greenwashing = 'The phenomenon of socially and environmentally destructive corporations attempting to preserve and expand their markets by posing as friends of the environment and leaders in the struggle to eradicate poverty.' (FOEI, August 23, 2002)
Statements
'The evidence on websites, reports, in still photos and moving video is clear that Kimberly-Clark is good at "**greenwashing**" its image but not so good at decreasing its impact on ancient forests.' (Greenpeace, November 14, 2006)
'It is because those corporations which make genuine steps forward deserve acknowledgement and support - and those who only want to do **greenwashing**, must hear on the spot that they will not get away with it any longer. It is, because business dominates so much of people's lives, that we cannot leave it to business people only.' (Greenpeace, January 29, 2007)
'Drawing on **greenwash** techniques, companies from industries like tobacco and mining tell heart warming, personal stories of how their money has helped make a difference. The humanitarian-themed variant of **greenwash** is called **"bluewash"** —for the color of the United Nations flag.' (FOEI, GroundWork and CorpWatch, 2002)
The role of some corporations and business lobby groups in greenwashing their image was comprehensively exposed. International media coverage was deeply critical of the two-faces of business – the (often clumsy) attempts at positive **PR** compared to the reality or corporate bad practices; and the re-branding of corporate baddies suddenly as corporate goodies – for example how oil companies have suddenly marketed themselves as renewable energy companies.' (FOEI, 2002)
'Investing a bit of capital in taking care of the Bhopal disaster would be so much better than this useless **PR**!' (Greenpeace, March 31, 2003)
'[…] the disgraceful attempts of GE companies like Syngenta to cover-up the bad science with a smokescreen of **public relations** and media management.' (Greenpeace, March 31, 2005)
'Bhopal.com can only be described as a smarmy **public relations** site full of misinformation. If Dow thinks the world's worst industrial disaster is only an incident then it obviously is not living in the real world. Maybe it thinks expensive lawyers and **public relations** can hide the truth from the public?' (Greenpeace, January 23, 2003)
'Instead Monsanto spends millions on **public relations** campaigns of misinformation and warm fuzzy feelings.' (Greenpeace, August 24, 2002)
'Nike gradually shifted from outright denial of problems, to disclaiming that it had any responsibility for the behavior of its contractors and then to a series of **public relations** maneuvers designed to improve the company's image without significantly addressing its sweatshop abuses.' (Clean Clothes Campaign, March 25, 1999)

Thus, criticism is focused not only upon corporate activities but also on communication methods employed to create a favorable social and/or environmental image. Therefore, with respect to substantiating accusations of window dressing one may examine the communication strategies of such firms.

3. Theory: from internal decoupling to external window dressing

Codes of conduct and CSR reports are the 'most concrete instruments' with which a firm communicates its commitment to CSR (van Tulder and Buck, 2006: 2). These may contain statements of fact or of window dress. An important, but often ignored, aspect of CSR is that although codes of conduct and reporting are positioned at different ends of the business process they are, nevertheless, related. As van Tulder and Buck (2006: 2) note, both 'act as a checklist in the formulation and implementation of corporate responsibility objectives'. At initial stages of CSR, a code of conduct defines the 'intentions, aims, management principles and specification of their implementation conditions', i.e. the input variables. Reporting, positioned at the opposite end, monitors and measures the results of implemented CSR programs and policies, the i.e. output variables (van Tulder and Buck, 2006: 2). Both documents, as agued by Wright (1997: 56), make up the top (code) and bottom (report) layers of a hierarchical pyramid 'of company statements, policies [and] procedures' in order to translate 'aspiration [into] implementation'. In turn, Wright's hierarchical pyramid may be adapted to display window dressing behavior by decoupling vital operational processes necessary to integrate CSR.

Figure 1. A Theory of Decoupling



Effective CSR policy is one which is placed as close as possible to a firm's 'core business processes' (Schouten and Remmé, 2006: 377). Figure 1 displays a simple business structure made up of inputs that guide the process of achieving its predetermined goals through core business processes resulting in actual output figures. In this case, the emphasis is placed upon the implementation of a code of conduct in order to foster effective CSR. Subsequently, enabling accurate measurement for reporting purposes. Communicating a corporate code of conduct may serve to positively affect public perception. However, in order for it to be effective, the code needs to be integrated into core day-to-day operations. If the subsequent implementation process is decoupled from daily decision-making (i.e. input decoupling) the code becomes meaningless in the value it intends to create. In turn, the firm may be rightfully accused of window dressing. Internalization of targets is also crucial to enable measurement of the progress made so as to foster accurate and complete reporting. If a firm fails to adequately integrate a code of conduct, the auditing and measurement of results are hampered resulting in further (output) decoupling. Reporting may then be based upon falsified and/or incomplete information with regards to actual obtained results. In such instances, window dressing behavior could be captured by exposing messages which display inconsistencies between the internal and external picture of CSR commitment.

4. Measuring window dressing

With a focus on codes of conduct and CSR reports two existing likelihood frameworks enable systematic analysis of such documents: the compliance likelihood and the implementation likelihood framework.

4.1 Compliance likelihood framework

The compliance likelihood framework (table 3), developed by Van Tulder and Kolk (2001), analyzes the specificity and compliance components of the code. It measures the 'probability that firms will conform in practice to codes either proclaimed by themselves or developed by other actors, and that these claims will in fact be translated into responsible behavior and action' (Kolk and van Tulder, 2003: 12).

Specificity of codes is methodologically essential as 'the more specific codes are, the better can they be measured and, subsequently, monitored' (van Tulder and Kolk, 2001 274). Specificity is judged on three subcategories. First, specificity is determined by the social, environmental and generic *issues* mentioned by the code. Second, specificity of *focus* is determined by the 'organizations' targeted, 'geographic scope' and 'nature' (Kolk and van Tulder, 2003: 17). Codes that specify general standards (nature) and apply these generically to all organizations and geographic locations would, therefore, receive low scores. Third, the measurability of a code refers to the extent to which standards, targets and time periods have been quantified or that reference has been made to other (international) codes and/or laws. The compliance component is measured by six factors: (1) the clarity and extent to which monitoring systems and processes are described, (2) the entity which is in charge of the monitoring procedure, (3) sanctions 'related to the consequences of non-compliance' for the firm and (4) to 'third parties', (5) the extent of 'financial commitment' and (6) the level of managerial commitment expressed (Kolk and van Tulder, 2003: 22).

Weights of *low*, *moderate* or *high* are assigned to the specified criteria upon examining the code of conduct as follows:

Table 3 Compliance likelihood framework

Criteria			Short Elaboration	Classification
SPECIFICITY	ISSUES	1.1. Social	employment (employment promotion, equality of opportunity and treatment; security of employment training working conditions (wages and benefits; conditions of work and life, safety and health) industrial relations (freedom of association; collective bargaining; consultation; examination of grievances; settlement of industrial disputes) force (child labor; forced labor; disciplinary practices)	ranging from: 0 out of 5, to 5 out of 5
		1.2. Environment	management policies and systems (subdivided into 4 aspects) input/output inventory (6 aspects) finance (2 aspects) stakeholder relations (7 aspects) sustainable development (3 aspects)	ranging from: 0 out of 5, to 5 out of 5
		1.3. Generic	consumer interests (consumer needs; disclosure of information; consumer concerns; marketing practices) community interests (community involvement; disclosure of information; community philanthropy/sponsoring) global development (global issues; socio-political setting; fair and free trade practices; third world development; third world philanthropy/sponsoring) ethics (fundamental human rights and freedoms; fundamental ethical values; bribery and facilitating payments) legal requirements (legal compliance; compliance vis-à-vis business partners)	ranging from: 0 out of 5, to 5 out of 5
	FOCUS	2.1. Organizations targeted	general; firms; industries; business partners; internal operations of specific firms	general/firms/industries/partners/internal
		2.2. Geographic scope	global (general); nearly global (frail); general region (moderate); regulatory system (moderate to strong); specific country (strong)	no/general/frail/moderate/moderate to strong/strong
		2.3. Nature	general prescription/description (general); predominantly general (frail); general and specific (moderate); predominantly specific (moderate to strong); specific (strong)	no/general/frail/moderate/moderate to strong/strong
		3.1. Quantitative standards	% of issues quantified: > 90% (predominant); 51%-90% (majority); 25%-50% (medium); 10%-25% (minority); < 10% (few); none (no)	predominant/majority/medium/minority/few/no
		3.2. Time horizon	quantification %: > 90% (predominant); 51%-90% (majority); 25%-50% (medium); 10%-25% (minority); < 10% (few); none (no) qualitative division into none defined; vague; clear	ibid; and none/vague/clear
		3.3. Reference	none defined; home country; host country; international; or combinations	like preceding box
COMPLIANCE	4.1. Monitoring systems and processes		good insight into system and process (clear); reference to some parts, but criteria or time frames are lacking (clear to vague); only general reference to monitoring without details (vague)	clear/clear to vague/vague/none
	4.2. Position of monitoring actor		firms themselves (1st party); BSGs (2nd party); external professionals paid by firms (3rd party); combinations of different actors (4th party); SIGs (5th party); legal authorities (6th party)	ranging from: 1st to 6th
	4.3. Sanctions		measures have no large implications, e.g. warnings and exclusion of membership (mild); threat to business activities (severe)	none/mild/severe
	4.4. Sanctions to third parties		measures such as fines, or demands for corrective action (mild); severance of relationship, cancellation of contract (severe)	n.a. none/mild/severe
	4.5. Financial commitment		classification according to level of fee or relative investment	low/moderate/high/very high/none
	4.6. Management commitment		no commitment stipulated (none); includes a list of endorsing firms (explicit); or with regard to company codes, when business partners must sign it (explicit); commitment implied (implicit)	none/implicit/explicit

Source: Kolk and van Tulder (2003: 13)

1. Specificity (Issues)

- Number of social/environmental/generic issues discussed: 0-1 = low; 2-3 = moderate; 4-5 = high.

2. Specificity (Focus)

- Organizations targeted: not specified = low; generally applied to all organizations = moderate; specifically applied to firms/industries/partners/ internal = high.
- Geographic scope and nature: global = low; region = moderate; country = high.
- Quantitative standards: none to less than 10% quantified = low; between 10% and 50% quantified = moderate; more than 50% of issues quantified = high.
- Time horizon: 1) none to less than 10% quantified = low; between 10% and 50% quantified = moderate; more than 50% quantified = high. 2) Qualitative – not defined = low; vaguely defined = moderate; clearly defined = high.
- Reference: not defined = low; home or host country = moderate; international or combination = high.

3. Compliance

- Monitoring systems: not specified = low; vague = moderate; clear = high.
- Monitoring entity: first and second (the firm itself or industry associations) = low; third and fourth party (externals hired by the firm or combination of different parties) = moderate; fifth and sixth party (social interest group, acting independently from the firm, or legal authorities) = high.
- Sanctions: none = low; mild = moderate; severe = high.
- Sanctions to third parties: na; none = low; mild = moderate; severe = high.
- Financial commitment: none to low = low; moderate = moderate; high = high.
- Management commitment: no commitment voiced = low; commitment implied (implicit) = moderate; endorsement of firms or require partners to sign in (explicit) = high.

4.2 Implementation likelihood framework

Based on the compliance likelihood, Kolk (2004b) developed the implementation likelihood framework (table 4) to enable systematic analysis of sustainability reports. In terms of 'the likelihood that its contents have indeed been implemented within an organization' reports are analyzed along four criteria: focus, organization, performance and monitoring (Kolk, 2004a: 59).

Focus is assessed according to the nature of the issues discussed, the 'reporting scope' and the extent to which reference to 'standards, codes, guidelines and conventions' has been made (Kolk, 2004b: 64). Organization examines the extent to which a detailed description of corporate systems has been provided. The third and crucial element of assessing the report is performance, determined by the extent to which the results of several important social issues have been disclosed. A similar check is conducted according to environmental performance. Finally, specification of implemented monitoring procedures is examined.

Weights of *low*, *moderate* or *high* are assigned to the specified criteria upon examining the CSR report as follows:

Table 4 Implementation likelihood framework

Criteria		Short Elaboration	Classification
FOCUS	1.1. Nature	1) only social; only environmental; environmental & social; environmental & social & economic; 2) also ratio environmental-social (in No. of pages)	single; double; triple bottom line na/ratio
	1.2. Reporting Scope	global; regional; few countries; one country; general with a few selected case studies	see previous column
	1.3. Standards, codes, guidelines, conventions	reference to conventions of international governmental organizations; other international general non-binding codes; international management/reporting/performance standards; internal codes of conduct	specific standards, codes, guidelines, conventions
ORGANIZATION	2.1. Environmental system	(detailed) evidence of environmental management system	no info; said to be planned; basic' detailed
	2.2. Social system	(detailed) evidence of social management system	no info; said to be planned; basic' detailed
	2.3. Integrated system	evidence of integrated (reporting) system (environmental, social and economic)	no info; said to be planned; basic' detailed
	2.4. Environmental performance	evidence of calculation of environmental performance indicators	no; basic; detailed (incl. Methodology)
	2.5.Social performance	evidence of calculation of social performance indicators	no; basic; detailed (incl. Methodology)
	2.6. Internal control	evidence of use of specific social/environmental output/behavioral control indicators for internal use (staff)	no; environmental; social; both
	2.7.Supplier requirements	reference to social/environmental requirements to suppliers/contractors	no; environmental; social; both
	2.8.Sanctions to suppliers	type of measures in case of non-compliance (milder measures such as fines, or demands for corrective action ; or stricter ones such as cancellation of contract)	na; no; yes (mild/severe)
PERFORMANCE	3. Social	1) workplace diversity (equality of opportunity and treatment)	0 = info
		2) health and safety for the workforce (incidents)	1 = general reference
		3) human resource management (turnover rate/length of service)	2 = detailed (quantitative where
		4) freedom of association/right to collective bargaining (#)	3 = normalized (I.e. compared to relevant figures, thus increasing the relevance to stakeholders)
		5) settlement of workforce disputes/grievances (#)	
		6) corruption/bribery (#)	
		7) child labor/forced labor (split between sectors)	
		8) human rights	
		9) community involvement (philanthropy/sponsoring)	
		10) community implications (complaints/health impacts)	
		11) third world sponsoring/philanthropy	
		12) fair and free trade practices*	
		13) legal compliance/socio-political setting*	* only 0, 1 and2
	4. Environmental performance indicators	type of environmental performance indicators included in the report (current absolute figures; and/or trends; and/or compared to targets; or eco-efficiency figures; and/or trends; and/or compared to targets; externally verified figures or not)	0 = no info; 1 = info, no figures; 3 = current + previous figures; 5 = 3 + targets; 7 = current + previous eco-efficiency indicators; 9 = 7 + targets; 10 = verified figures; 11 = verified eco-efficiency indicators
MONITOR	5.1. System	reference to monitoring if environmental and/or social system(s)	no; environmental; social; both
	5.2. Monitoring party of system	companies themselves (1st party); business associations (2nd party); external professionals paid by companies (3rd party); combination of different actors (4th party); NGOs (5th party); legal authorities (6th party)	1st - 6th party
	5.3. Report	comprehensive/partial verification of the report	yes; partial; no
	5.4. Verifier of report	external professionals paid by firms (3rd party); combination of different actors (4th party); NGOs (5th party)	3rd - 5th party

Source: Kolk (2004b: 63)

1. **Focus**
   - Nature: single focus (environmental or social) = low; double (environmental/social, environmental/economic, social/economic) = moderate; triple bottom line (social/environmental/economic) = high.
   - Reporting scope: global = low; general with a few selected case studies = moderate; regional/few countries/one country = high.
   - Standards, codes, guidelines, conventions: not mentioned = low; less than or equal to two = moderate; more than two = high.
2. **Organization**
   - Environmental/social/integrated systems: provision of no information or information regarding future plans = low; basic = moderate; detailed = high.
   - Environmental/social performance: no indication of performance indicators = low; basic indication of performance indicators = moderate; detailed indication of performance indicators = high.
   - Internal control/supplier requirements: no information = low; environmental or social = moderate; both = high.
   - Sanctions to suppliers: na; none = low; mild = moderate; severe = high.
3. **Performance**
   - Social: no or general provision of information = low; detailed information = moderate; normalized (compared to figures) = high.
   - Environmental: no information or information but no figures supplied = low; current and previous figures = low/moderate; current and previous figures against targets and current and previous eco-efficiency indicators = moderate; current and previous eco-efficiency indicators against targets = moderate/ high; verified figures and indicators = high.
4. **Monitoring**
   - System: reference to no monitoring system = low; reference to either social or environmental monitoring system = moderate; reference to social and environmental monitoring system = high.
   - Monitoring entity: first and second (the firm itself or industry associations) = low; third and fourth party (externals hired by the firm or combination of different parties) = moderate; fifth and sixth party (social interest group, acting independently from the firm, or legal authorities) = high.
   - Report: no verification of the report = low; partial verification of the report = moderate; full verification of the report = high.
   - Verifier: na; third party = low; combination of parties = moderate; NGOs = high.

5. Linking Results to Theory

In examining the codes of conduct and CSR reports provided by firms, various outcomes are possible. Figure 2 classifies nine categories. The upper left/right and lower left/right quadrants represent strategies which do not involve window dressing. Assuming that window dressing can only occur when a code and/or a report has/have been published firms positioned in the upper left quadrant do not engage in window dressing activities. In addition, the upper right and lower left quadrant distinguish between corporations which either publish a code or a report. A corporation which scores high on the compliance likelihood but has not published a report suggests that it is likely that window dressing has not been applied. Similarly, a firm which scores high on the implementation likelihood but has not published a code suggests that window dressing has not been applied. Although both strategies are indicative of honest representation firms, however, may still engage in window dressing as they have become skilled at masking such acts. Alternatively, firms in the lower right quadrant, which score high on the compliance as well as on the implementation likelihood, are more likely to have integrated CSR into day-to-day operations. Further, several quadrants denote firms more likely to window dress. The middle left quadrant represents window dressing strategies through solely publishing a CSR report. Scoring low on the implementation likelihood, therefore, implies that the firm is likely to have engaged in *output* window dressing. The upper middle quadrant represents window dressing strategies employed by solely publishing a code of conduct. Scoring low on the compliance likelihood, therefore, suggests that the firm is likely to have engaged in *input* window dressing.

The most consistent form of window dressing occurs in the middle quadrant of figure 2. Scoring low on the compliance as well as on the implementation likelihood implies that the firm is likely to have engaged in *input* and *output* window dressing. This may also be indicative of a deliberate decoupling strategy. Indicated by the question marks, two additional situations represent circumstantial decoupling by publishing a code high (low) on compliance likelihood and a report low (high) on implementation likelihood. Assertions cannot be made regarding the likely intent with which window dressing appears to have occurred. Conclusions of which can only be established by observing employed strategies from within the corporation.

Figure 2 CSR accountability strategies

Code of Conduct Compliance Likelihood (columns); **CSR Report Implementation Likelihood** (rows)

	No	Low	High
No	no window dressing	**input** window dressing	no window dressing
Low	**output** window dressing	**input-output** window dressing	?
High	no window dressing	?	CSR Integration

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