The Visible Hand of Consultants in the Construction of the Markets for Virtue: Translating Issues, Negotiating Boundaries and Enacting Responsive Regulations

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Abstract

Although the resurgence of Corporate Social Responsibility (CSR) has been described as the development of ‘markets for virtue,’ little is known about the social construction of CSR markets. Prior works either focus on the economic potential of these markets or criticize the social commodification they reflect, denying them any virtue other than generating profit or maintaining the capitalist status quo. This paper uses the case of the market for CSR consultancy in Québec to make visible the hand of management consultants in the creation of markets for virtue. Building on interviews with 23 consultants and secondary data, we relate three narrative accounts that highlight complementary facets of the constitutions of the market for CSR consultancy. Our narratives shed light on three distinctive roles of CSR consultants as social and environmental issues translators, market boundary negotiators, and responsive regulation enactors. These roles clarify the regulative dynamics underlying CSR commodification and advance our understanding of consultancy work in the CSR domain.

Key-words: Commodification – Compliance – Corporate Social Responsibility – Governance – Management Consultants
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‘Corporate Social Responsibility is now an industry of its own right, and a flourishing profession as well. Consultancies have sprung up to advise companies on how to do CSR, and how to let us know they are doing it. The big auditing and general-practice consulting firms offer clients CSR advice… There are executive programs in CSR, business-school chairs in CSR, CSR professional organizations, CSR websites, CSR newsletters, and much, much more.’

The Economist (2005: 3-4)

‘Most people… would be amazed if they lifted the stone of contemporary business activity and saw the armies of consultants, experts, charlatans and do-gooders scurrying around business inside and outside companies trying to help them become more socially responsible’

Hilton and Gibbon (2002: 3)

Introduction

The markets for fair trade, socially responsible investment, consultancy, auditing, or reporting all have in common a search for building business opportunities out of some of the side effects of the capitalist system. In this regard, these ‘markets for virtue’ (Vogel, 2005) illustrate the capacity of the capitalist system to absorb and recycle its own critique (Boltanski and Chiapello, 2005), either by re-internalizing negative externalities through market mechanisms (Callon, 2009), or by embedding morality at the core of market functioning (Shamir, 2008). The development of these markets also highlights the blurring of the boundaries between the social, market and political spheres that accompanies the emergence of a new form of ‘regulatory capitalism’ (Levi-Faur, 2005) characterized by reliance on ‘responsive regulations’ (Braithwaite, 2011) and the mobilization of market mechanisms by activists and social movements (King and Pearce, 2012; Micheletti et al., 2004).

Despite their growth, surprisingly little is known about the concrete formation of the markets for virtue, which so far have been subjected to a double academic critique. On the managerial and economic side, they are regarded as too narrow to enhance corporate profitability (McWilliams and Siegel, 2001; Vogel, 2005). On the...
sociological and political side, they are denied any transformational virtue as they are regarded critically as an illegitimate and dangerous transformation of social and environmental issues into commodities—a process of commodification—that threatens activists’ political actions (Banerjee, 2008; Shamir, 2005, 2008). However, in neglecting the concrete activities and actors that ‘bring into being’ the markets for virtue, both perspectives have left a question partially unanswered: *How are the markets for virtue socially constructed?*

This paper addresses this question by focusing on the role played by consultants in the constitution of a specific ‘market for virtue’—the market for CSR consultancy services in Québec, Canada. Theoretically, we combine conceptual resources from economic sociology (Fourcade and Healy, 2007; Morgan, 2008), business regulation literature (Edelman, 1990, 1992; Parker and Nieelsen, 2011) and prior works on the role of management consultants (Heusinkveld and Benders, 2005; Kipping and Clark, 2012) to revisit the conceptualization of CSR commodification as a multifaceted process of market construction, triggering new forms of responsive regulations and oriented by the ‘visible hand’ of management consultants. Empirically, we rely on secondary data and 30 interviews with 23 consultants and three government officials to develop three narratives that capture complementary facets of the constitution of this market. Our first narrative explains how consultants have built on feminist movements to construct the market for ‘responsible’ events, the second narrative retraces how consultants enabled the emergence of consultancy services by subjecting purchasing to ‘social responsibility,’ and the third narrative focuses on the role of consultants in the diffusion of a new local norm for making organizations ‘socially responsible.’

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In ‘lifting the stone’ of the constitution of a market for CSR consultancy, these stories uncover the ‘visible hands’ of consultants in markets for virtue. Our narratives uncover how consultants act as social and environmental issues translators who are reconstructing and repackaging issues into ‘sellable’ propositions, as market boundary negotiators who are shifting and creating boundaries to expand or protect niche segments in the market for CSR consultancy services, and as responsive regulation enactors who regulate corporate conduct through their active reliance on, mobilization and promotion of, CSR laws and standards to develop new commercial opportunities. Lastly, the implications of these three roles for the analysis of the construction of markets for virtue, the role of management consultants, and the micro-dynamics of responsive capitalism are discussed.

Corporate social responsibility commodification

In his review of the resurgence of Corporate Social Responsibility (CSR) discourse and practice over the last twenty years, Vogel (2005) suggests that what distinguishes current approaches from the prior waves of social responsibility discourse is their focus on CSR as a profit-making tool and the willingness of a new generation of entrepreneurs to build business opportunities out of CSR. Although the founders of CSR were focused on the potential of this concept to generate social welfare or achieve social justice (Acquier et al., 2011; Bowen, 1953), contemporary scholars and corporate actors have moved from the idea of ‘doing good to do good’ to the notion of ‘doing good to do well’ (Vogel, 2005). According to Vogel (2005), the new generation of managers and entrepreneurs involved in CSR aims at demonstrating this claim in practice through the building of what he has coined the ‘markets for virtue.’ Analytically, the ‘markets for virtue’ can be defined as markets or
entrepreneurial activities characterized by a simultaneous search for profit and for the improvement of social or environmental criteria (Vogel, 2005). Although this definition is more restrictive than the one adopted by Braithwaite (2012: 1) for instance, for whom ‘when markets enhance the efficient production of outcomes which are good according to some ethical theory, these are defined as markets in virtue’, it adequately reflects the empirical phenomenon of the growing markets for fair trade products, responsible investment or CSR certification, consultancy, and auditing. This paper focuses on the market of CSR consultancy services, which we approach as a specific yet especially significant instance of the broader set of markets for virtue.

By way of arguing that CSR commodification—in the form of the construction of markets for virtue—is a distinctive feature of the last wave of CSR discourse and practice, a first stream of research has produced a careful evaluation of the supply and demand for CSR and evaluated its economic potential, usually by considering the capacity of CSR to generate benefits. Scholars such as Vogel (2005) or McWilliams and Siegel (2001) derived a pessimistic conclusion from the analyses of the ‘supply and demand for CSR’ or the ‘business case for CSR,’ suggesting that the potential of CSR to influence corporate behaviour is de facto limited and that these markets will at best remain ‘niches.’ This pessimism is supported by the positive yet relatively weak empirical link between CSR and financial performance (Margolis et al., 2009; Orlitzky et al., 2003).

Although useful for its analytical description of the CSR market and for its evaluation of CSR market potential, the managerial or economic logic adopted by these authors tends to equate CSR commodification with a business case for CSR assumed to exist independently from actors’ behaviours. These works thus neglect
the socially constructed nature of the link between CSR and profits, as well as the broader political forces at play in the processes by which actors build markets.

Economic sociology suggests that market-building efforts have to be studied in their broader political and institutional context (Fligstein, 1996; Polanyi, 1957).

A second stream of research informed by political and social theory focuses on CSR commodification to deconstruct CSR, a phenomenon regarded as epitomizing neo-liberalism (Fleming and Jones, 2012; Shamir, 2008; Markowitz, 2008). Following this perspective, Shamir (2005, 2008) analyses the processes whereby morality is embedded within markets and provides a critical account of CSR commodification. According to this author, CSR diffusion reflects a broader shift in dominant modes of corporate governance towards forms of self-regulation and soft law. CSR commodification corresponds to a movement of social ‘economization’ whereby corporate and managerial actors invade the field of CSR practice and shape it according to their own interest, for instance through the co-optation of radical or critical NGOs, or the active support of pro-market organizations (Shamir, 2005).

The critical perspective contributed to the understanding of CSR commodification in revealing its profound political and ideological significance and by showing that the social and environmental issues that motivate CSR activities in the first place may be ‘lost’ through the process of CSR commodification. Yet this perspective tends to neglect the strategic and deliberate role of government in the process of market building (Gond et al., 2011) and has little to say about the concrete activities underlying and shaping the building of CSR products and services. In addition, critical works tend to downplay the practical corollary of society’s marketization through CSR commodification, which can be an enhanced ‘socialization of markets’ through CSR.
For instance, even though NGOs may be co-opted by corporations through CSR commodification (Shamir, 2005), market-focused NGOs may remain more connected to the social environment than their ‘not-NGO at all’ counterparts, and their mere presence can enhance the effectiveness of ‘activist’ NGOs (van Huijstee & Glasbergen, 2010).

Notwithstanding their contributions to our understanding of markets for virtue, these two contrasted views on CSR commodification remain fragmented in their appreciation of the socially constructed nature of CSR markets, as no study has simultaneously investigated the socio-political, economic, and managerial factors in the rise of markets for virtue. Yet recent studies show the need for, as well as the value of, considering multiple lenses when accounting for the process of market formation (Huault and Rainelli, 2009, 2011; Morgan, 2008). In addition, business regulation studies suggest that CSR commodification can reflect new modes of corporate compliance based on an interplay between socio-political, economic, and managerial factors (Braithwaite, 2011; Levi-Faur, 2005; Parker and Nielsen, 2011) rather than being a mere smokescreen for neoliberal deregulation (Shamir, 2005, 2008).

**Lifting the stone of corporate social responsibility commodification**

To ‘lift the stone’ of CSR commodification and uncover the role of actors involved in the markets of virtue, we build on insights from economic sociology, the sociology of compliance, and prior studies on management consultants to approach CSR commodification as multifaceted process of market construction that involves a variety of regulative dynamics and can be observed by investigating how management consultants create new markets.

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CSR commodification as a multifaceted process of market construction

As a discipline, economic sociology aims at uncovering the social fabric of economic exchanges, objects, and practices (Polanyi, 1957). Its recent developments, under the umbrella of ‘new economic sociology’ (Swedberg, 2003) have focused on the processes of market building (Abolafia, 2001), with the aim to provide either complementary or alternative accounts to the economic analysis of market functioning. In contrast with the economic theory view of markets as ‘abstract mechanisms whereby supply and demand confront each other and adjust themselves in search for a compromise’ (Callon, 1998), social studies of markets offers grounded empirical accounts of how exchange occurs and how markets concretely form within their cultural, social, and political contexts (Fligstein and Dauter, 2007; Polanyi, 1957).

Although virtually all economic sociologists agree on the socially constructed nature of markets, ‘they disagree on the main principles of this social construction’ (Fourcade, 2007: 1019), and prior works suggest considering at least five elements when accounting for market formation. A first element is the network structure that relates the different categories of actors in the marketplace (Granovetter, 1985; White, 1981). This network dimension is revealed in qualitative analysis by studying how interactions among broad categories of actors are organized and altered over time (Hoffman, 1999; Morgan, 2008). A second element points to the role of calculative tools and practices (Callon, 1998) in the functioning of markets that are therefore regarded as ‘collective calculative devices’ (Callon and Muniesa, 2005). A third element is knowledge or expertise (Morgan, 2008). Power (1997), for instance, shows how auditors expand and renegotiate the boundaries of their market to include new areas—such as the environment—through the redeployment of their knowledge.
basis. A fourth ingredient in market construction relates to the *legitimacy* of actors and the categories of products they seek to bring to market (Zuckerman, 1999). Prior studies have shown the need for actors to acquire legitimacy and to be perceived to ‘conform’ (DiMaggio and Powell, 1983) in order to be seen as a market actor (Déjean, Gond and Leca, 2004). A fifth element, *governance and regulation*, is related to the role of rules in the organization of markets. Typically, studies from economic sociology regard government as a central actor in market-building and recognize that in numerous contexts ‘market-building is state-building’ (Fligstein, 1996).

As a whole, the perspective of economic sociology potentially offers a more encompassing and nuanced approach to market construction than prior studies of CSR commodification. It suggests considering how actors simultaneously mobilize and build *networks*, *calculative tools*, *knowledge*, *legitimacy*, and *governance rules* to achieve the construction of a market. In adopting this multifaceted approach, this perspective can shed a new light on the regulative dynamics at play in CSR commodification.

**CSR commodification as the deployment of responsive regulations**

Following Polanyi’s (1957) insight, according to which markets can never be completely disembedded from their social, cultural and political context, a stream of sociological and legal studies has investigated the various modes of regulation and compliance that take place across markets (Parker and Nielsen, 2011). Paradoxically—and in contrast with the tenants of critical perspectives on CSR commodification—these studies suggest that ‘while at the ideological level neo-liberalism promotes deregulation, at the practical level it promotes, or at least is accompanied by, regulation’ (Levi-Faur, 2005: 14). Under the labels of ‘responsive
regulation’ (Braithwaite, 2011), ‘regulatory capitalism’ (Levi-Faur, 2005) or ‘business compliance’ (Parker and Nielsen, 2011), this body of studies suggests that new mechanisms of regulation and business compliance emerge together with the development of markets.

Such regulation is especially likely to emerge in the case of CSR commodification (Levi-Faur, 2005: 21). Beyond the ‘hard law’ characterized by a ‘command and control’ approach to CSR (McBarnett, 2007), a number of initiatives from private actors—often referred to as ‘soft law’—have emerged in recent years to structure the CSR field (Bork and Coglionese, 2011; Gilbert et al., 2011). Yet, the interplay between these ‘soft’ and ‘hard’ types of regulation remains under studied, and the role of regulative and compliance dynamics taking place through CSR commodification remain understudied.

Prior interpretative studies of compliance have detailed how the meaning and content of ‘hard’ laws are actively translated and reconstructed by corporate actors through institutional and political mechanisms (Edelman and Talesh, 2011; Parker and Nielsen, 2011). For instance, Edelman (1990) shows that the ambiguity inherent to ‘hard’ laws may facilitate the endogenous ‘reconstruction’ of their meaning by actors subjected to regulations. Gilad’s (2011) study explains how the expectations from the British financial regulators that threatened the identities of financial firms have been actively reframed within existing business discourses and methodologies.

Although prior studies in the business regulation literature show the crucial role of the cultural and institutional environment in the enactment of business compliance, they have focused on professionals acting from within organizations—such as the members of the personnel professions (Edelman, 1990, 1992) or compliance
managers (Gilad, 2011)—in this process. The role of ‘external’ professionals such as professional advisory firms in the institution of compliance and the translation of ‘hard laws’ remains scarcely studied, even though numerous authors recognize the growing influence of professional and consulting firms such as the Big Four in the regulation of business activities (Miller and Power, 2013; Ramirez, 2012). Because the concept of CSR is especially ambiguous (Gond and Moon, 2011) and consulting organizations have heavily invested in it over the last twenty years (McCarthy and Moon, 2009), it represents an ideal site to further theorize the regulative dynamics of business compliance.

**CSR commodification as driven by management consultants**

To document the multifaceted process of the social construction of a market for virtue and the regulative dynamics inherent to CSR commodification, we analyse the activities of management consultants aiming at creating a market for CSR services. Three reasons motivate such a focus on the ‘visible hand’ of management consultants operating in the CSR field. First, consultants are usually involved in commodification processes (Faust, 2012; Heusinkveld and Benders, 2005; Kipping and Clark, 2012) as they constantly translate new ideas and knowledge into locally relevant and ‘sellable’ services (Czarniawska and Joerges, 1996; Salhins-Andersson, 1996). The CSR domain did not escape this trend, and prior studies have highlighted how consultants rhetorically package and shape the content of CSR and sustainability concepts to develop their supply, as in the contexts of Sweden (Windell, 2007) and the UK (McCarthy and Moon, 2009). Following the translations of CSR consultants makes it possible to study ‘from the inside’ the process of CSR commodification. Yet the critical works on CSR commodification remind us that this process of translation...
into market opportunities is especially problematic in sensitive domains that relate to social and environmental issues (Shamir, 2005, 2008), as a broader range of stakeholders are likely to contest or re-evaluate the integrity of the CSR issues subjected to translation. This raises the question of how CSR consultants maintain the integrity of translated issues: what is lost and what is gained in the process of translation that underpins CSR commodification?

Second, focusing on consulting services enables an empirical re-evaluation of the processes sustaining CSR commodification in light of the five dimensions that characterize an economic sociology perspective on market construction. On the one hand, markets for virtue are criticized for being condemned to remain niche markets (Vogel, 2005). On the other hand, critical accounts of CSR commodification suggest that these niches kept mushrooming (Fleming and Jones, 2012) and denounce the pervasive expansion of CSR markets (Shamir, 2005, 2008). Observing how CSR consultants concretely build, consolidate and protect the boundaries of their market can shed light on this contradiction. Such an inquiry is relevant to consultancy studies, as the mechanisms explaining the growth of consulting firms remain under studied areas of research (Faust, 2012; Sturdy, 2012: 479).

Third, because of their pragmatic engagement with soft and hard laws and their location in organizations which actively shape the processes of business compliance, CSR consultants allow us to observe how regulative dynamics interplay in their activities. Prior studies of the Big Four auditing firms have highlighted their capacity to influence the regulative context in order to secure business opportunities (Suddaby and Greenwood, 2005), suggesting that mainstream advisory firms may influence ‘hard laws.’ In addition, studies of CSR standards in the responsible investment
industry suggest that these ‘soft law’ types of regulation can support market-building (Déjean et al., 2004). Following how consultants build their markets can highlight how hard and soft types of regulations interplay during the process of CSR commodification. Drawing on these theoretical discussions and on the case of the market for CSR consultancy, this paper will examine the questions that follow:

**RQ1: What is lost and gained through the translations that occur during the construction of a market for CSR consultancy?**

**RQ2: How are the boundaries of the CSR consultancy market negotiated and constructed?**

**RQ3: How are regulations involved in the construction of a market for CSR consultancy?**

**Context, Method and Data**

*Context: The market for CSR consultancy in Québec*

To address our questions, we focus on the role of consultants in the construction of a market for CSR consultancy in Québec. Officially recognized as a nation in 2007 by the Canadian government, Québec is a cultural area clearly separated from the rest of Canada. The ‘business system’ (Whitley, 1999) of this officially French-speaking area in North America has been described as the ‘Modèle Québécois’ (Jette, 2011). It is characterized by a strong welfare state, free access to social services and a well-developed non-profit sector with numerous social businesses and cooperative organizations (Bourque, 2000). Even though the CSR consultancy market is today established in Québec, most of the private consulting firms dedicated to CSR appeared only shortly before 2005. The leading figures of this market were still active and accessible, along with secondary data, and we could thus document the unfolding of the market as narrated firsthand by participants.
Like in the UK (McCarthy and Moon, 2009), early CSR services in Québec were initially focused on environmental management. In the 90s, although the federal government had developed a framework protecting the environment, it was lagging in enforcing the social dimension of sustainable development. In the context of a rivalry between the federal approach to CSR representative of English Canada, and the more socialist provincial approach of Québec—which would culminate in the 1995 Québécois referendum for independence—the promotion of the social aspect of sustainability and CSR was regarded by the Québec province as an opportunity to differentiate itself from Ottawa. Sustainability was then a freshly coined concept perceived in Québec as an opportunity to gain international visibility. In the 1990s, the Québec government financed the building of ‘showcase’ CSR tools by Not for Profit Organizations (NPOs), thereby contributing to the incubation of a supply of CSR consultancy services.

In the early 2000s, Québécois government officials intensified their promotional efforts and shaped the emergence of a market for CSR consultancy services by moving slowly from ‘soft’ to ‘hard’ forms of governance (Miller and Rose, 1990). Québec became a member of the Western Climate Initiative in 2001 and supported the development of the Montréal Climate Exchange, a stock exchange where carbon emission credit can be bought and sold. In 2004, government launched a public audience for a binding law that would incorporate sustainable development into all public organizations: the ‘LQDD’, an acronym that translates to the ‘Québec Law on Sustainable Development.’ According to a former public official, this was ‘one of the first and the most ambitious laws [on CSR] worldwide, perhaps a little too ambitious’ (Government #24). Between 2004 and 2006, thanks to this
announcement and to targeted governmental subsidies, NPOs and academic consultants created spin-off organizations to develop an offer of CSR consultancy services for private businesses. Yet, our interviewees described consulting at this time as “uncertain” (Consultant #3) and evoked a “faith-based market” (Consultant #10).

The LQDD law was ultimately passed in 2006, requiring 142 state-owned organizations to develop and report on their sustainable development strategy. Those organizations turned to consultants in order to comply with the new CSR requirements, developing the CSR consultancy market. All the Big Four auditing firms but KPMG positioned themselves in Québec though the creation of local branches immediately after the LQDD framework was passed. They focused on bigger corporate clients with international exposure. In this new context, local and smaller consultants, either commercial businesses specialized in CSR services (specialists) or NPOs, sought to mainstream CSR consulting activities for smaller organizations, notably by engaging in the development of a local standard for CSR management, the norm ‘BNQ 21000.’ As their activities in CSR were being structured, CSR consultants from Québec created a professional organization in 2009 and have maintained their ‘who’s who’ since 2010.

All the consultants we interviewed described a period of growth starting in 2006, followed by a slowdown and an enhanced competition since 2008. Even though the CSR consulting market seemed to have stabilized, it kept attracting more organizations. Figure 1 presents the evolution of the number of suppliers for CSR consultancy services. It suggests an increase in the size of the market in recent years. The number of suppliers dedicating more than 40% of their total services to
CSR jumped from 20 in 1999 to 79 in 2012. Figure 1 also shows the rise of ‘for profit organizations’ which outnumbered NPOs in 2005.

SEE FIGURE 1 AT END OF DOCUMENT

Data collection

To capture the role of consultants in the construction of the market for CSR consultancy, we first conducted exploratory interviews with five consultants. Their discourse combined with our prior knowledge of the Québec consulting field led us to identify three central categories of actors: the ‘Big Four’ (e.g. Deloitte, PricewaterhouseCoopers), the ‘specialists’ (e.g. SMEs specialised in CSR services), and the ‘NPOs’ (e.g. NGOs offering CSR advisory services). To capture the diversity of viewpoints on the process of market construction, we conducted at least six interviews with actors from each of these three categories. During the process of data analysis, we interviewed some actors a second time to clarify some points, or contacted other actors to develop our knowledge of specific events or segments that emerged as especially significant in the structuring of the market. For instance, we met with three government officials because the role of the local government in the creation of a CSR standard has shaped the emergence of the CSR market and was regarded as crucial by other interviewees. In total, we conducted 30 interviews with 26 actors. The structure of the interviews was designed to create a ‘conversation with purpose’ (Burgess, 1984: 102). We moved from broad questions (e.g. How do you perceive the market for CSR and its development prospective?) to more specific questions aimed at revealing the links between the five dimensions of governance, calculability, networks, legitimacy and expertise we knew from economic sociology to
be central to market-building (e.g. Do you rely on CSR standards and if so, how?). All interviews were recorded, transcribed and coded in Nvivo. They are listed in Appendix A. We completed these data with a variety of secondary data, including calculative tools mentioned during interviews, information about their organizations available on the Internet, and quantified data on market development.

Analytical strategy

To highlight the role of consultants in the construction of a market for CSR consultancy, we mainly relied on a ‘narrative analysis strategy’ (Langley, 1999). We first used our interviews and secondary data to construct a detailed chronology of the market’s development. We used this material to build the first stage-by-stage narrative description of the market, highlighting the main changes that occurred in relation to the dimensions of knowledge, legitimacy, governance, network structure, and calculative practices. Thanks to this analysis, we saw how these five dimensions were intertwined in the concrete activities deployed by CSR consultants, and we could identify the most salient and structuring aspects of the history of this market, such as the construction of the market for ‘responsible events,’ ‘sustainable purchasing’ and the CSR standard ‘BNQ 21000.’ These three elements emerged as central to the constitution of the CSR industry in Québec and were recurrent topics in the discourse of most interviewees.

Consistent with a constructivist and interpretative approach (Charmaz, 2003; Parker and Nielsen, 2011; Schwandt, 1994), we then, at a second stage of analysis, took these ‘stabilized entities’ as our starting points, to question the extent to which they are taken for granted, and to reconstruct through our interviewees' discourse how they have emerged through a specific unfolding of events, so that we can shed
light on the specific role played by consultants in the social construction of the market. This second stage of analysis led us to build three narratives that capture the different facets of the construction the market and shed complimentary light on the role of CSR consultants. Table 1 provides an overview and summary of these narratives that constitute our core findings. This table also shows how these narratives together account for the role of consultants as social and environmental issues translators, market boundary negotiators, and responsive regulations enactors.

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Narrative #1: From feminism to the responsibilization of events for business purposes

As a business practice ‘responsible events’ aim at ‘integrating sustainable development within each stage of the organization of an event’ (Québec council on eco-responsible events). According to the Québec standard on this matter (BNQ 9700-021), a responsible event includes six types of activities: the sourcing of responsible suppliers; the responsible management of equipment, water and energy; waste management; catering sourcing; transportation management; and finally, education and awareness raising during the event, a transversal issue in this norm. When asked to describe her activities in relation to responsible events, a consultant gave a much broader picture of the business opportunities attached to this growing form of CSR commodification:

These [responsible events] generate training and awareness business, advisory services, classification with the BNQ norm […] and ultimately they boost reputation management with initiatives such as ‘Les Vivats’ [a prize for the most ‘eco-responsible’ event awarded annually]. (Consultant #20, NPO)
In describing ‘responsible events’ as ‘a pink management for a green planet,’ the women’s magazine *La Gazette des femmes* captured the underlying activist roots of a growing source of business opportunities for women consultants based in Québec. In the 80s, Québec feminist activists were already involved in environmental issues directly related to women’s health, such as breast cancer, household waste recycling, or endocrine disruptors. Their focus remained chiefly on educating women and protecting them from health hazards in food, cosmetics or other domestic products. In the 90s, a group of female consultants in the recycling industry reframed the relation between environmental issues and the Québec feminist movement:

As a woman, it’s not always been easy to establish my credibility. There are no women in the field of centralized composting. In fact, waste management is a bit like the construction world. Many men often think, “What can she know about it?” […] We felt that we women had a much clearer and more global idea of the situation, that each of us was not trying to take all of the credit. […] Together, as women, we had the strength to work behind the scenes. (La Gazette, 1997)

In 2000, they created an organization to promote both environmental protection as well as women working in environment: the Network for Women in Environment (NWE). They saw events ‘as an opportunity, in the good sense of the term’ (Consultant #21, NPO), and began to get involved in recycling during feminist events. From then on, feminists, other activists, student associations, and more generally, ‘all the people who gravitated around the NWE’ (Consultant #20, NPO), lobbied big business and public authorities to make events ‘responsible.’ Their roots in feminist activist networks allowed them to get their first contracts and good media coverage. For instance, they handled the recycling during the first ‘World March of Women’ in 2000, now an annual event that brings together women from 163 countries. The members of the network informally developed techniques and internal tools for the
management of sustainable events and they published the first guide to ‘eco-events’, made available for free online in 2000.

In 2006, the NWE officially initiated consulting activities and training in eco-events; in the same year, it applied for government funding to create a nation-wide project on eco-events. The project was accepted and 25 pilot events were conducted in Québec, one of which gained credit through the participation of ‘the mother of sustainable development’ (Consultant#14, Specialist): Gro Harlem Brundtland. Thanks to government funding, the NWE began the development of a domestic standard at Québec's standard body, the BNQ. In January 2008, the project was officially presented and launched with the professionals from the event industry:

Frankly, this took off immediately. In less than 24 hours, we had already more than 200 answers for our first event. (Consultant #21, NPO)

The NWE approach to sustainable events is both inclusive and promotional. As stated on their website: ‘You are supplier, lighting technician, in charge of logistics... There is a category just for you!’ Accessibility is facilitated by a ‘social’ pricing – thanks to funding obtained from the provincial government – at around 50 CADs for three hours of training per participant, a fare below what other consulting organizations charge. Even though this policy has helped raise customers’ awareness of sustainability, it has prevented responsible events from becoming a profitable business for consultants. A sound business model was not yet found.

In 2007, independent entrepreneurial consultants started to believe that responsible events could become a ‘niche market,’ and began supplying sustainable services for the event industry. Following this trend, the NWE created a spin-off

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1 The Brundtland report, published in 1987, is a landmark in the history of sustainability as it has defined and introduced officially the concept of sustainable development at the United Nations.
business-oriented organization for responsible events cleared from any mention of feminism. Consultants saw the challenges of responsible events in terms of business opportunity intrinsically related to the one-off nature of events. Responsible events are usually one-shot contracts and ‘this is very demanding for a small organization, to mobilize two consultants full-time for one or two weeks to prepare an offer of services’ (Consultant #9, Specialist). In addition, consultants felt that such a one-off approach prevented them from having a lasting impact on their clients’ CSR.

At this point, a key decision for their business has been to start working with ‘venue managers’ instead of ‘event managers.’ They attached responsibility and sustainability to the ‘places’ rather than to the ‘events’ through a number of ‘place-related concepts,’ such as the ‘map of sustainable venues’ which analyse public transportation, hotels, and local businesses. In so doing, consultants grew closer to the bigger players from the event industry. Organisations managing venues, such the Palais des Congrès (Montréal) or the Musée de la civilisation (Québec), started subcontracting consultants to enhance the sustainability of their building. Following this trend, venue managers hired consultants to develop policies around sustainable events. Venues’ websites outlined and explained their involvement in responsible events through lists of services provided on demand to event managers and supplied by consultants. This induced event managers to contract consultants, providing CSR consultants with media coverage. As a result, prices for making a venue sustainable for a function rose from 5000 to 13 000 CAD per event. The NWE consolidated this trend in encouraging big local business actors such as Loto-Québec or Rio Tinto Alcan to develop their policy related to events sponsorship by integrating ‘responsibility’ and ‘sustainability,’ thereby securing more contracts from event
managers for consultants. As explained by an organizer of the Montréal Jazz Festival, the world’s biggest jazz festival:

‘In 2008, I thought it was time to renew our actions in the domain of sustainable development and we have been lucky enough to be contacted by Rio Tinto Alcan and several NGOs.’ (Logistics director of the Jazz festival)

As a whole, these various trends turned ‘responsible events’ into a profitable niche-market. Four of the specialist and NPO consultants we interviewed are currently involved in expanding responsible events and rendering them mainstream. Specialist consultants complemented their offer with services for event suppliers and have now moved on to the leisure industry. Consultants have developed a program named ‘green key’ for the hotel industry to identify the most ‘environmentally conscious’ hotels. They are also currently involved in reframing ‘responsible events’ so that they can support the provision of broader advisory services. On the business-to-business side, consultants are promoting the idea that any business meeting is an event, and propose their services accordingly. On the business-to-consumer side, the same specialist consultants now propose making weddings, and even funerals, together with other private events ‘responsible.’ In 2010, the NWE expanded and created the Conseil Québécois de la Communication pour le Développement Durable (CQDD, Québec Council on Sustainable Development Communication), which addresses the specific needs of the communication industry, beyond the event industry. Although no mention of feminism is made, the composition of the board shows that the same group of women from the NWE are involved in the CQDD. The CQDD organizes an annual summit where communication professionals meet and exchange best practices of sustainability and CSR. The popularity of responsible events and their demands was sustained with the creation of ‘Les Vivats,’ a prize
awarded to the most ‘responsible’ event of the year. The prize was created in 2012 by
the NWE in collaboration with Loto-Québec.

**Narrative #2: Making purchasing sustainable, building and defending a niche market**

Sustainable purchasing—also referred to as ‘sustainable procurement’ or
‘responsible supply-chain management’—is defined by practitioners as ‘selecting
goods and services which promote a healthier community and environment by
considering the costs as well as the environmental and social impacts of products
and services through all stages of their life cycle’ (Easton et al., 2005). Sustainable
purchasing has a product and a supplier component that both relate to CSR
consultancy market-building. On the product side, sustainable purchasing consists in
selecting socially and environmentally responsible products—ideally through the use
of techniques such as life cycle analysis. On the supplier side, it involves selecting,
educating, and monitoring suppliers to have them adopt more ‘responsible’
behaviours—responsibility being understood in terms of compliance with
international labour standards and local legal frameworks. Both components point to
the central role of procurement as an anchor to shape a niche market in ‘sustainable
purchasing’ that could be served by consultants. As one of the specialist consultants
we interviewed summarized: ‘[…] I’m specializing; I’m only working in purchasing’
(Consultant #12, Specialist).

In Québec, as elsewhere, labour unions played a key role in connecting MNEs’
procurement activities to CSR issues such as human rights. Scandals about
sweatshop working conditions in developing countries broke in the late 1990s,
involving Nike, Gap and other big names from in the apparel industry (Zadek, 2004).
Labour union organizations became concerned about global labour rights issues, and
numerous international initiatives emerged to defend labour laws and working condition such as SA 8000, FLA, or WRAP. Several MNEs faced considerable backlash as they were particularly exposed to activists’ pressure:

So those ones [MNEs] they didn’t have the choice to react, necessarily, because they were subject to the harsh criticism of NGOs, and those who have a very high visibility amongst consumers […] So, what happens is that it’s the big guys who are exposed and the distributors as well. […] After, by line of work, you see that it typically follows the same course; it’s the areas that are the most at risk, the most exposed, that are targeted first, so purchasing typically is one of the first areas. (Consultant #21, NPO)

In Québec, this trend was exacerbated in 2003 by the ‘Gildan scandal.’ Gildan, a Montréal firm financed by the biggest labour union’s pension fund, was accused of mistreating its workers in Honduras through practices including intimidation and forced pregnancy tests. After these allegations, Québec labour unions sold their share in Gildan and created a coalition against sweatshops that lobbied public institutions, universities, and student associations in promotion of responsible forms of purchasing. In 2006, this coalition published a ranking of Québécois firms based on the responsibility of their purchasing practices; this ranking then shaped the needs of procurement managers.

So there was this union thing […] that had compared thirty-some Québécois businesses, big Québécois businesses, on their responsible procurement policy, which scored and ranked them. It’s one of the rankings, for that matter, that comes up again, that’s rather structuring, rather interesting. (Consultant #1, Big Four)

Because it deals with issues that are both controversial and legally technical, such as child labour, the ‘responsibilization’ of procurement involves a good deal of expertise and resources, even for MNEs. MNEs therefore turned to external advisors. Big Four consultants were the first to respond to this demand. Their global networks match their customers’ supply-chain and they could operate as an
international ‘epistemic community’ (Ramirez, 2012, p. 47), transferring their specialized knowledge of international laws and labour standards across their subsidiaries.

A group of specialist and NPO local consultants gradually managed to establish themselves in this market. In 2007, a specialist consultant developed a training program in sustainable development and procurement. He contacted a young female professional who had work experience with the International Labor Organization (ILO) and the United Nations (UN) and who was already well connected with labour unions. She was struggling to find clients to whom she could sell consulting services on workplace conditions in MNEs and the training program in sustainability procurement gave her the right contacts, namely, MNEs' local branches and state-owned companies: ‘All the big players from Québec were there!’ (Consultant #12, Specialist).

In this context, she proposed the creation of ‘Espace québécois de Concertation sur les Pratiques d' Approvisionnement Responsable’ (ECPAR, Québécois Space for the Co-Development of Responsible Procurement Practices), presented as a forum to exchange and develop best practices pertaining to sustainability procurement:

So I, at the end of the day, on purchasing, I said to the people: it’s so complex to put into place responsible purchasing, given the variety of purchases that businesses make, the variety of challenges and all that; we should continue to stay in contact, all together, to see how we’re progressing and to share our research efforts. (Consultant #12, Specialist)

ECPAR immediately attracted the interest of some of Québec's biggest international firms such as Bell, Desjardins and Cirque du Soleil. This multi-stakeholder organization is governed by local activist NGOs, government representatives, big firms, and a network of ‘experts,’ including six specialist and one
non-profit consultant. ECPAR officially addresses the needs of ‘the main purchasers,’ defined as firms with a minimum procurement volume of 100 billion dollars. According to the founding member of ECPAR, the focus is deliberately on those corporations ‘who are really in a position to invest in purchasing’ (Consultant #12, Specialist). Analysis of the content of workshops held at ECPAR on topics such as ‘how to draft a call for tender’ (07/04/2011) or ‘how to produce cascading effects through the supply chain in the social domain’ (23/05/2012) confirm that ECPAR aimed at mobilizing powerful actors in order to transform the whole supply chain.

As an organization, ECPAR works mostly as a ‘club’ with barriers to entry. Companies willing to join must pay for a package that includes a limited number of representatives and grants access to websites to a limited number of users; specific partnerships are granted to a single – usually leading – firm per industry. In addition, only ‘experts,’ or consultants with ‘an established expertise’ are welcomed by ECPAR. Through ECPAR, specialist consultants further developed their expertise and tools, as well as personal relationships with purchasers from the biggest firms in Québec. ECPAR became a vehicle for specialists to position themselves on a market traditionally held by Big Four consultants, who described such specialists as clearly identifiable and serious competitors:

Because it’s a small market here so how it works can depend on the people. [...] Yes, for example responsible purchasing, there’s always the same person who comes up, there’s the group, you know, [ECPAR]. (Consultant #1, Big Four)

Specialist consultants involved in ECPAR nurtured the demand for sustainability services by first educating and then enrolling MNEs’ purchasers. The buyers of MNEs needed to be turned into prescribers: to expand the market and consolidate their own position, specialist consultants needed to offer a set of services and practices tailored
to the needs of purchasing activities. ECPAR members developed a business case for sustainable procurement:

So across all of this, responsible procurement is seen by some as an opportunity to enter into dialogue with suppliers, to innovate, to reinforce certain things, because that becomes another point of negotiation. […] It can be seen as a competitive advantage. (Consultant #13, Specialist)

Sustainability concerns were translated into supply-chain management concepts. As for the product approach, life cycle analysis disseminated the notions of the ‘total cost of ownership’ – a management accounting concept that allows for the integration of the direct and indirect costs of a product – and the ‘global supply chain.’ These notions enabled the integration of long-term economic, social, and environmental costs within supply-chain management. For instance, ECPAR developed an automatic calculator of ‘total cost of ownership’ for the benefits of its members. As for the supplier approach, a challenge in Québec was to translate international standards into calls for tender, to ensure that suppliers could integrate these upfront without being penalized. ECPAR promoted the concept of ‘preferential margin’ to counterbalance the ‘lowest price rule’ that prevailed in calls for tenders for public contracts. Thanks to ECPAR discussions, a 5% to 10% premium for suppliers certified by a predefined environmental or social standard was included in the provincial law for public calls for tender, allowing ‘responsible’ suppliers to submit with a price up to 10% higher than the lowest price (Québec Laws D. 531-2008, a. 37).

Specialist consultants at ECPAR believed that these innovations would not be adopted by the buyers’ community unless they were correctly packaged. Thus they began to develop technical documents of 2-3 pages detailing the most critical social and environmental issues for specific products and services and indicating the
appropriate courses of action. These documents also displayed the ‘total cost of
ownership’ for purchased products. As their circulation increased, these documents
became similar to the product data sheets already used by buyers for analysing
product or transportation costs. They gave the means for sustainability procurement
to be better understood and adopted by buyers. Thanks to these technical
translations of CSR issues into function-specific tools for purchasing activities,
ECPAR entrenched sustainable procurement within organizations:

For us, it’s certain that we wouldn’t have been able to push the issue of
sustainable development forward at the level of purchasing if we didn’t have
highly operative tools, because the people in purchasing—those are really
practical people. So it’s really there, there’s a whole structure put into place for
purchasers to… they’re very structured, there are procedures for calls for tender;
when it’s at the public level, it’s even more structured. We couldn’t have broken
through to the people in purchasing with an approach that had not already really
processed the information to come up with concrete tools. (Consultant #12,
Specialist)

At the same time, ECPAR was a vehicle for local specialists and NPO consultants
to slip into the process of tool development for sustainable procurement, and to
develop a function-specific discourse that eventually protected their niche market.
Sustainable procurement involves knowledge of procurement, international laws, and
standards. This expertise is costly to acquire for specialist consultants based in
Québec who are not part of the ECPAR ‘club.’ Thus ECPAR’s membership system
creates barriers to entry on the market of providing sustainable procurement advisory
services. Yet, the segment shaped by ECPAR members also created benefits for the
Big Four, who leveraged their global network to recapture the services of their clients’
purchasing divisions in the advisory or audit domains. For instance, Big Four firms
recently recaptured contracts from the extractive industry thanks to their global
network.
Narrative #3: Standardizing CSR in Québec to protect and expand a provincial market

BNQ 21000 is Québec’s CSR standard. After three years of gestation, a first version of 74 pages was published in 2010. The document provides a diagnostic tool of 21 key CSR business issues grouped into three specific topics (social, environmental, and economic issues) and two transverse topics (ethics and governance issues). For each issue, it details five levels of achievement that range from ‘doing nothing’ to ‘leading the industry.’ This document is only the tip of the iceberg, as consultants describe it as part of a bigger project that aims at mainstreaming CSR, thereby framing it as a ‘social project’ for the province of Québec:

The process allows one to take part in a large-scale social project that will have an influence on Québec for years to come. Already, other businesses and sectors have started to draw from it. The pilot projects are enabling the concretization of the process and the tools. (Consultant #7, Specialist)

The support of the government of Québec in collaboration with specialists or NGO types of consultants to develop a sustainability tool reflects a long-standing tradition in the province. In the early 1990s, a first sustainability diagnostic tool was developed for the purpose of ‘sustainable territorial management’ by an NPO created by biologists and geographers. The members of this organization, who were involved in the preparation of the Brundtland report, convinced the provincial government to launch an ‘experiment’ on sustainable development at the scale of an entire region: Saguenay—Lac Saint-Jean. The purpose was to turn the region into ‘a showcase, a laboratory for sustainable development... One year before the 1992 World Earth Summit at Rio.’ (Consultant #22, NPO). This life-sized experiment ‘in the wild’ (Callon and Muniesa, 2005) required the development of diagnostic tools to evaluate
territorial governance by the NPO. These tools were used by the government to evaluate and break down subsidies and they quickly spread. In total, 196 projects would be evaluated with respect to their potential to enhance sustainable development in the region of Lac Saint Jean. For example, Abitibi Consolidated (AbitibiBowater since 2007), the third largest pulp and paper company in North America, had to have the creation of 256 km of bike paths in the region evaluated in order to sponsor their construction, which began in 1995. Abitibi Consolidated would re-use this diagnostic tool to evaluate the sustainability of all its activities involving territorial impact, like forest management or waste disposal. In 2000, the NPO promoters of this tool created a spinoff organization to adapt and sell it to mainstream organizations. They became the first NPO in Québec to sell CSR to private organizations:

So, I would say, we started… we made use of the analytical basis of the project, as an analytical grid for the project, firstly on a basis of sensitive projects, for improvement, for consultation, social dialogue, and then we gradually enlarged, or rather displaced, the subject of analysis as not a project, or as sometimes a project but also sometimes an organization. So to know where its strengths are, where it can be improved. (Consultant #15, NPO)

At the same period, international organizations hosted negotiation processes on CSR and published norms and standards: the Global Reporting Initiative (GRI) and the UN Global Compact in 2000; the OECD guidelines for multinationals in 2002; and the AA 1000 AS or SD 21000 in 2003. Because of their early work on sustainability in territorial management, Québec NPO consultant actors were respected as legitimate contributors to these international negotiations and became involved in this emerging global epistemic community of CSR. For instance, Québec hosted the Nikan Convention in 2007, an international event on regional applications of sustainable
development involving 42 countries, and in 2009, welcomed the 7th ISO 26000 plenary session. Based on their experience with Native Americans, Québec actors facilitated the inclusion of Native peoples in international CSR texts during those events, and thus enhanced their legitimacy in the eyes of prominent international actors from the CSR epistemic community.

At the provincial level, international norms and standards of CSR created a niche market for leading consultancy organizations; the three types of consultants developed numerous Québec-made diagnostic tools to turn global CSR standards and norms into business opportunities. From 2005 onwards, a few NPO consultants well connected to labour unions as well as research centres based in the Lac Saint Jean region started to lobby government for the development of a national norm on CSR. Thanks to their involvement in multiple international negotiations, they could link their standardization project to their prior experience of developing the first diagnostic tool in the 90s as well as a number of international projects: the development of ISO 26000; its French equivalent, the SD 21000; and the GRI. Thus they leveraged tools already produced in Québec in the 90s to contribute to international discussions around CSR while benefiting from the legitimacy and knowledge of concurrent processes of CSR normalization. They used this unique position to lobby the Québec government:

It’s going to be a major tool that’s going to put Québec in a very good position in this area. No other country has a document as operational. For example, France with AFAQ 26000, it’s much more oriented towards ISO, but at the moment they haven’t managed to sell a single one of them. (Consultant #14, NPO)

In 2007, government officials came to the conclusion that they would not extend the 2006 Québec Law on sustainable development to all organizations in the near
future. They would rather seek to structure the CSR consulting market: ‘our role is to see the market, to see how it could evolve, and to give it certain signals to help make it evolve’ (Government #25). The official objective of the Québec government is to have 20% of all Québécois firms to adopt sustainable development by 2013. To this end, they said ‘yes’ to a national Québécois norm on CSR, giving birth to BNQ 21000. This is a 3.5 million CAD project, involving 200 organizations and 20 consultants whose purpose is to ‘develop tools at a low cost and to make them available to the whole community’ (Consultant #16, NPO).

BNQ 21000 is handled by local NPO consultants in coordination with a standards committee that involves specialist and NPO consultants, academics, public officers, and business representatives. Together, these actors recruited a team of ‘BNQ 21000 consultants,’ consisting of seven of the founders of the biggest independent consultant firms in Québec, two directors of NPO firms, a director from the CSR practice of a Big Four, two engineers from the environmental service industry, and five managers from middle-range CSR consultancies. These actors analyzed how CSR consulting could be mainstreamed. These actors realized that a key issue for their business also meets a governmental concern: how to draw small and medium enterprises (SMEs) into sustainable development? SMEs have neither the financial nor the human resources to invest in CSR. In addition, BNQ 21000 consultants believed that the managers of SMEs were often confused by the variety of norms, approaches, and tools related to CSR. BNQ 21000 consultants together with government officials therefore developed a low-cost offer, carefully crafting their pricing to develop the market. Diagnostic tools that had been developed and which had matured–often through public funding–since the 90s, were actualized,

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synthesized into a single document, and made available for free as a ‘teaser’ (Consultant #16, NPO). BNQ 21000’s five-level graduated scale also allows actors who would be intimidated by a ‘pass or fail’ approach to start a CSR policy with a lower budget, hopefully triggering further investments. Government funding was used to develop a ‘special offer’ of training in CSR to smaller organizations for as low as 25 CAD/h for a limited time. Furthermore, in our interview with specialist consultants, BNQ 21000 was presented as an ‘all-in-one’ product which filters ISO 26000, SD 21000, the GRI, and other key international standards and adapts them to the context of Québec.

So, very obviously, if you take the indicators of the GRI, word for word, very few businesses [...] could manage to even integrate those indicators into their management systems. So we did... I would say, some gymnastics, to make the indicators less complex, to popularize them, if you will, or to take them to the level of businesses so that businesses could position themselves. But the whole diagnosis has a link to each of the indicators of the GRI. So we started off with the indicator, then we made it much more user friendly, easier to use each of the indicators and then we transposed that into a line of questioning to try to know the… situation, the perception, the situation of the business as it perceives it. (Consultant #16, NPO)

More importantly, support from the government gave legitimacy to the BNQ 21000 norm. It acted as a guarantee that BNQ 21000 was ‘the’ relevant standard for Québec. Despite a ritual appendix stating that BNQ 21000 is derived from ISO 26000, the norm remains for the most part influenced by the 2006 Québec law on sustainable development. Vested with governmental legitimacy, BNQ 21000 consultants gained access to trade association such as the Québec Mining Association (QMA) and to big MNEs such as Rio Tinto Alcan and Alcoa. These organizations facilitated a large-scale circulation of consultants’ products and activities. BNQ 21000 consultants could
reach entrepreneurs and SMEs – in particular suppliers – for whom they developed standardized yet industry-specific CSR services. For example, Lanaudière Économique, a NPO supporting entrepreneurs in the Lanaudière area, brought together 210 SMEs and hired non-profit consultants to provide training in sustainable development. As explained by one of the BNQ 21000 consultants:

The BNQ 21000 process […] constitutes, to my mind, an excellent opportunity to put the process and its tools to the test, and to do it such that it responds to the particularities of Québécois SMEs. (Consultant #18, NPO)

This approach through central trade organizations allows specialist and NPO consultants to obtain economies of scale, as well as long-term and predictable contracts. In addition, they can accumulate knowledge, specialize, and reap reputational gains for specific populations of clients such as SMEs. Although it was developed during the BNQ 21000, some independent consultants actually replicated this approach in other places, for example, in the Montréal apparel industry or in municipalities. On the client side, BNQ 21000 not only decreased the price of CSR consulting per organization, making it available for smaller organizations, sometimes on budgets already paid for by their trade associations, it also levelled the playing field within a population of organizations in the same industry. Only interviewees from some of the Big Four felt unhappy with what they regard as a ‘low-cost offer’ that could undermine the profitability of CSR/sustainability consultancy:

They ask businesses to pay 20% of the cost of the mission, which is to say that for not even, I don't know, $20 000, they have a strategy and a consultant for a year and a half, if you will. That’s nothing, you know, that’s really nothing. And the consultant, instead of being paid the market price, which is about $130 per hour, which is an average, meaning that senior consultants are more than that, well, they’re paid $100 dollars an hour. (Consultant #4, Big Four)
As a reference document, BNQ 21000 regulates the market as it creates a consensus on what was before a galaxy of methods and tools for niche markets. It also clarifies the supply chain of CSR. For BNQ 21000, the government acted as an indirect supplier of tools, through the enrolment of consultants dedicated to the translation of the norm into tools, and as a guarantor of the local legitimacy of the standard. Trade associations acted as retailers and prescribers whereas other specialists and NPO consultants acted as ‘operators of CSR.’ The whole set of actors formed a chain of conflicting and converging interests, which guarantees a relatively controlled commercialization of CSR consultancy services to end users.

BNQ 21000 was also an opportunity to increase the governmentality of SMEs. The government created a special agency to support SMEs in their CSR policies; this agency initially collected statistics on how many companies had adopted CSR in Québec and on the maturity of this adoption (TACEP report, Jan. 2011). BNQ 21000 is available for free on the web but companies must provide their identity to download it. BNQ 21000 consultants are enrolled as statistics officers, as they are asked to provide the results of their diagnosis – standardized through BNQ 21000 – to a governmental database. Government representatives hope that this will allow them to follow and monitor CSR integration in Québec. The government expects to see which type of organizations have adopted CSR, to what extent, and where they have adopted it.

**Discussion and implications**

In this paper, we sought a better understanding of the social construction of markets for virtue by focusing on the roles played by consultants in the CSR consultancy market in Québec. As summarized in Table 1, our narratives provide
complementary accounts of the development of the CSR consultancy market constitution and uncover the various roles played by different types of consultants in the translation of social and environmental issues, the constitution and negotiation of the CSR consulting market boundaries, and the regulations surrounding CSR. We explain below how these core findings contribute to our understanding of CSR commodification, the role of consultants, and the responsive regulation of capitalism. We then discuss the limitations of our study as well as perspectives for future research.

**Capitalizing on social movements: Consultants as social and environmental issue translators**

Although social movements are increasingly adopting the market as a site for political action (King and Pearce, 2012; Michelletti et al., 2004), prior accounts of CSR commodification have emphasised the ‘a-politicization’ that takes place through this process (Shamir, 2004), suggesting that the intentions that foster CSR regulation may be ‘lost in translation’ once they have materialized in business opportunities or managerial discourses (Fleming and Jones, 2012; Shamir, 2005). Studies of business responses to regulation have also highlighted the reconstruction of the meaning and content of regulations by the professionals in charge of implementing them within organizations (Edelman, 1990, 1992).

Our findings confirm at least partially the validity of such pessimistic accounts. As reported in Table 1, the analysis of ‘what is lost’ and ‘what is gained’ through the translational work operated by consultants in the process of creating their market suggests indeed that most radical types of activisms have been lost through the process in almost all cases, even when NPO type of consultants—not necessarily
co-opted by market actors (Shamir, 2005)—were in charge of the translation. The second and third narratives show how comprehensive frameworks from global norms of CSR have been filtered, either to develop ‘practical’ approaches to sustainability for a specific corporate function (narrative #2), or to provide local and smaller businesses with ‘simpler’ tools to approach CSR (narrative #3). Our account of the responsibilization of events shows that, in the end, radical forms of feminism have been lost through the search for business opportunities (narrative #1): once established in the CSR business, references to feminism became contentious and were finally toned down by consultants. And yet, even this case suggests that something is gained from the process, such as the predominance of female consultants in the market for responsible events.

A closer examination of ‘what is gained’ suggests that not all is lost in translation and that unexpected outcomes may emerge from their translation work beyond the gains that consultants capture through CSR commodification. Consultants may harness social movements to embed practices related to CSR or sustainability within organizational routines, sometimes more deeply than expected. For instance, our second narrative, of the case of the purchasing function, documents how consultants’ search for more business opportunities led them to spread responsible practice along the supply-chain both upstream and downstream (Scherer and Palazzo, 2011) by designing new calculative practices within the purchasing function (e.g. calculator of ‘total cost of ownership’ and standardized criteria for the evaluation of responsible sourcing). The third narrative suggests that the standardization of CSR allowed it to reach SMEs, sometimes neglected by mainstream actors though they are an important component of the socio-economic fabric of Québec. This
democratization of CSR has enhanced business awareness of social and environmental issues.

Our study suggests that consultants be regarded as 'imperfect' translators of social and environmental issues, able to capitalize on existing social movements pertinent to CSR issues to develop business opportunities and likely to enhance the reach of these issues even as they defuse the political intents of social movements and reconstruct their operational form. This result suggests paying more attention to CSR consultants as ‘intermediaries’ in future analyses of how social movements engage with market mechanisms in order to enhance their political impact (King and Pearce, 2012). These consultants may act as ‘institutional entrepreneurs’ (Déjean et al., Dorado, 2005) by translating CSR issues into new market categories of products and services (King and Pearce, 2012), and in so doing, contribute to the social regulations of markets and the re-internalization of side effects (Callon, 2009). However, the social and environmental loss and gain that occur through this process have to be carefully balanced and monitored. Studying CSR consultants could help us uncover the practical 'hybridization' of the social, political and market spheres that occurs through CSR commodification and to clarify the arbitrages that underlie this process.

Building market opportunities: Consultants as boundary negotiators

Prior literature has highlighted that management consultants may act as ‘boundary workers’ (Zietsma and Lawrence, 2010) who mobilize and transfer specialised knowledge across material, social and political boundaries within and across organizations (Sturdi et al., 2009; Werr and Stjernber, 2003). However, the processes through which consultants invest in new constructs such as responsibility
or CSR for the purpose of designing new business opportunities remain under studied. A second contribution of our study is to address this gap by shedding light on the role of consultants as ‘boundary negotiators,’ shifting the boundaries of their concept or of their service domains either to capture or protect business opportunities.

Our findings suggest that CSR consultants expand their market by stretching the definitions and meanings of the concepts of sustainability and CSR as well as by infusing new entities (e.g., events, venues, purchases, standards) with these concepts. The first narrative best illustrates this approach in the shift from ‘responsible event’ to ‘responsible venue,’ and then to ‘venue organizers’ and to the responsibilization of any type of business meeting and a wide range of private events. Through a succession of displacements and expansions, a set of specialists and NPO type of consultants were settled in an idiosyncratic niche market difficult to recapture as it was rooted in the local context. The two other narratives, on the other hand, show how consultants collectively protect the boundaries of their markets, either by creating ‘club type of forums’ (narrative #2) or by mobilizing cultural and linguistic boundaries when designing ‘locally relevant’ standards (narrative #3). Interestingly, the three narratives suggest that the three types of consultants that emerged as distinct groups during our field study were engaged in distinct approaches to boundaries negotiation. NPO and Specialists appear in our narratives as early movers and innovators in the constitution of the market, whereas Big Four players tend to appear on stage once market opportunities have more clearly materialized.
In documenting various forms of boundary negotiations—concentric enlargement of market boundaries and market protection through club creation or standardization—our empirical analysis complements prior accounts of consultants as ‘knowledge workers’ (Alvesson, 2004) in showing how boundary protection may facilitate the production of specialized knowledge of sustainable purchasing business practice (narrative #2) and how boundary shifting may increase the relevance of specialized sustainability knowledge (narrative #1). Future studies could build on this insight to investigate how the management of market and knowledge boundaries are related through the practices of consultants.

Reconstructing regulations: Consultants as responsive regulation enactors

A third contribution of our analysis concerns the processes by which consultants engaged with various types of regulations through the construction of the market for CSR consultancy. Although institutional studies of business compliance have insisted on the roles played by professionals in the translation of regulation (Edelman and Talesh, 2011), prior works have mainly focused on actors based within organizations such as personnel professionals (Edelman, 1990, 1992) or specialized compliance managers (Gilad, 2011; Parker and Gilad, 2011); the role of external consultants in the process of compliance has not received central attention (Parker and Nielsen, 2011). As shown in the last column of Table 1, our narratives indicate that consultants may play a central role in the enactment of regulations and shape the socio-cultural regulative environment of corporations through a variety of processes.

Specifically, our findings shed light on complementary roles of consultants in the context of regulation, as CSR standards’ promoters, interpreters and co-designers.
In our first narrative, consultants stimulated the creation of soft regulations through bottom-up processes whereby they defined, narrowed and stabilized the content of responsible practices for events management. These practices were then turned into a standard by enrolling the local government and acquiring its legitimation of the responsible events management practices defined by consultants. The second narrative reflects the more classical role of consultants as intermediaries linking and interpreting global standards and laws (in this case, on CSR) to fit local expectations thus enabling specific forms of compliance: for instance, through the embedding of sustainable supply-chain management standards within the purchasing domain. Yet, the adjustment of the law on call for tenders for pricing sustainability shows how hard and soft laws may interplay in the adoption of global CSR standards, suggesting that CSR standards’ effectiveness may be conditional on the adaptation of hard law. The last narrative (#3) sheds light on the role of consultants as co-designers of norms, portraying a succession of interactions between private and public actors to define and stabilize the content of a standard that shaped the CSR consultancy market. Interestingly, in this context, the government co-developed the standard and enrolled a variety of types of consultants who acted de facto as ‘soft regulators.’ In using the adoption of the norm to collect data on CSR behaviour, the provincial government deliberately enhanced the governmentality of economic actors in the CSR domain (Miller and Rose, 1990; Vallentin and Murillo, 2012).

As a whole, these findings suggest that CSR commodification does not necessarily equate to a neoliberal process of deregulation (Fleming and Jones, 2012; Shamir, 2005). Nor does CSR commodification equate to ‘endogenous laws’ (Edelman, 1990), which validate, rather than regulate, business practices. Rather,
our narratives illustrate that ‘the new order of regulatory capitalism’ is well characterized by ‘the proliferation of regulatory instruments to ensure corporate social responsibility’ (Levi-Faur, 2005: 21) and that local government may co-develop standards to shape the process of CSR commodification according to its own political interests following a process of indirect ‘government of self-regulation’ (Gond, Kang and Moon, 2011). In particular, our narratives suggest soft CSR standards may co-construct legislated forms of CSR rather than being mere substitutes for them.

Located at the crossroads of multiple regulative dynamics aimed at governing economic actors’ social and environmental behaviours, CSR consultants initiate, mobilize and bridge regulative processes according to their vested business interests. In so doing, they act as unintentional and indirect ‘responsive regulators’, enhancing the strengths of some softer forms of regulations by granting regulative power to specific standards. Though less critical, this portrayal of CSR consultants is consistent with recent descriptions of Big Four auditing firms (Ramirez, 2012) and other accounting and financial practitioners as ‘discreet regulators’ (Huault and Richard, 2012) contributing to the ‘economization’ of contemporary societies through their growing influence on standardization processes (Miller and Power, 2013). In line with recent calls (Slager et al., 2012), future studies could elaborate on this third finding by documenting whether and how consultants engage in specific ‘institutional work’ (Lawrence and Suddaby, 2006) to provide CSR standards with their regulative power, either by shaping actively their content through their participation in standardization processes, or by mobilizing standards through their consulting activities.
Limitations and future research

Because our narratives are built from data generated by interviews with consultants, our empirical accounts of the organizational dynamics taking place at consultants’ clients remain limited, and we are able to provide only ‘second-hand’ evidence for the impact of consultants’ activities at their clients’ organizations. Although our focus is first and foremost on the activities of consultants, this remains an important limitation of our method, as current research on consultancies and professional business firms stresses the importance of studying consultants and their clients simultaneously (Faust, 2012; Sturdy et al., 2009). Building on prior research on business compliance (Edelman, 1990; Parker and Nielsen, 2011) and its application to environmental and social regulations (Cashore, Auld and Reckens, 2011), future studies could consider the activities of consultants external to organizations and the activities of professionals operating from within organizations to document how both categories interact to enact responsive regulations in relation to CSR.

Another limitation of our analysis arises from its focus on the construction of a market in the specific context of Québec. Québec is a relevant and case for a discussion of CSR dynamics due the importance of social economy in this province and its well established history of environmental management; our narratives show how consultants engage with global regulations and bridge a variety of regulative dynamics through their activities. However, the generalizability of our findings remains bounded by the local understandings of CSR, though the role of consultants we have theorized could be used across a broader set of empirical contexts. Because approaches to CSR tend to reflect the features of their national business...
systems (Matten and Moon, 2008), it would be interesting to compare the activities and roles of CSR consultants across a variety of national business systems.
References


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Figure 1. Development of the supply for CSR consulting products and services*

Source: The 2012 Novae guide on sustainable development experts in Québec.

*The graph indicates the cumulative number of organizations selling services pertaining to sustainable development and CSR in Québec. We have selected only organizations for which these services represent more than 40% of the total activity. In addition to those organizations, the guide also references 34 NGOs, 22 governmental organizations, 16 research centers, 14 media organizations and 34 academic degrees, all pertaining to sustainable development and the vast majority of which were created after the turn of the century.
Table 1: CSR Consultants as Issues Translators, Boundary Negotiators and Responsive Regulation Enactors*

<table>
<thead>
<tr>
<th>FACETS OF THE CSR CONSULTANCY MARKET</th>
<th>CSR CONSULTANTS AS SOCIAL AND ENVIRONMENTAL ISSUES TRANSLATORS</th>
<th>CSR CONSULTANTS AS MARKET BOUNDARY NEGOTIATORS</th>
<th>CSR CONSULTANTS AS RESPONSIVE REGULATION ENACTORS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Narrative #1</strong></td>
<td>Translation of feminism into environmental management, and then into ‘responsible events’&lt;br&gt; <strong>What is gained?</strong> Enhanced presence of women in a segment of the CSR industry; Spreading of sustainable practices throughout an entire industry (event management) and beyond.&lt;br&gt; <strong>What is lost?</strong> Activism toned down or hidden; specific interest for women’s protection lost in successive translations.</td>
<td>Concentric expansion of the market for responsible events through successive displacement of its boundaries&lt;br&gt; Successive shifts from women’s health to environmental management, to responsible events, to responsible venues, to the responsibilization of any type of private or business event, and its spread to neighbouring industries Constitution of a ‘localized’ niche market for NPO and specialist consultants.</td>
<td>Bottom-up constitution of ‘soft’ regulative standards supported by the enrolment of the provincial government&lt;br&gt; Move from activism and the construction of focused practices to protect women from health and safety risks, to the production of a guide on how to make events ‘responsible’, to the promotion of codified practices thanks to governmental support, and to the production of standards and tools for the management of sustainable events.</td>
</tr>
<tr>
<td><strong>Narrative #2</strong></td>
<td>Translation of international labor and human rights standards into function specific practices and tools&lt;br&gt; <strong>What is gained?</strong> Dialogue between antagonistic actors; Enhanced influence of CSR consultants on their clients’ supply chain; settlement of local specialist consultants in a niche first occupied solely by the Big Four; new set of operational tools for sustainable management; indirect gains for the Big Four&lt;br&gt; <strong>What is lost?</strong> Incremental instead of radical innovation; exclusion of local consultants through the barriers to entry; SMEs kept out; idiosyncratic focus on purchasing activities.</td>
<td>Constitution of a ‘closed’ forum to sustain the development of a market focused on the corporate function of purchasing&lt;br&gt; Mobilization of the awareness created by activists’ ‘name and shame’ strategy to enroll industry leaders. Creation of a club of practices forum for exchange with purchasers from MNEs and big corporations, selected NPO and specialist consultants to build knowledge and best practices. Development of an offer of services embedding sustainability into purchasing management by specialist consultants. Re-capturing of some clients by the Big Four.</td>
<td>Top-down and local re-interpretations of the meaning of international standards and laws for a specific corporate function&lt;br&gt; A central, organizing figure of the forum who was an ex-employee of the ILO and the UN acted as an active translator of international laws and standards into practices that fit the ‘practical expectations’ of purchasing managers. Managerial and local reinterpretation of ILO standards are adapted in French and turned into ‘managerial’ discourse (business cases) enabling the embedding of compliance into ‘supply chain management’. Adjustment of the provincial legal framework to price ‘sustainability’ in public calls for tender.</td>
</tr>
<tr>
<td><strong>Narrative #3</strong></td>
<td>Translation of global principles of CSR into a provincial CSR standard&lt;br&gt; <strong>What is gained?</strong> Democratization of CSR to all organizations; standardization and diffusion of basic CSR knowledge among local business actors, excluding SMEs; consolidation of the local CSR industry. &lt;br&gt; <strong>What is lost?</strong> Low-cost version of CSR advisory services that drives prices down; oversimplification of CSR issues and a one-size-fits-all approach (i.e. the GRI is much more complex); standardization may destroy genuine search for compliance; filtering of global standards.</td>
<td>Construction of a local provincial market encompassing SMEs through local standardization&lt;br&gt; Development of sustainable development showcase tools by NPOs for public management. Networking of NPO actors with an international standardizing body working on CSR and sustainability and creation of private spinoff work for local firms. Coalition of NPO and specialist consultants to enroll public authority and trade associations for developing a mainstream CSR standard in the province and selling corresponding tools.</td>
<td>Co-constitution by the provincial government, NPO and private consultants of a ‘soft’ CSR standard&lt;br&gt; Early governmental investment in tools development by sustaining NPOs. Privatization of public management tools by NPOs and global networking of NPO experts that allowed the early local adaptation of global standards to the province’s needs. Governmental co-development of the CSR standard, including the enrolment of three types of consultants acting as unintentional ‘soft regulators’ (or ‘private’ civil servants). Enhanced governmentality of SMEs on CSR.</td>
</tr>
</tbody>
</table>

* Grey cells represent the most telling illustration for each role of consultants.
Appendix A. List of interviews

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Type of consultancy</th>
<th>seniority</th>
<th>Background</th>
<th>Title</th>
<th>Nbr.</th>
<th>Total length</th>
</tr>
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<tr>
<td>C1</td>
<td>Big Four</td>
<td>Middle</td>
<td>Science</td>
<td>Senior Consultant</td>
<td>2</td>
<td>2h23</td>
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<tr>
<td>C2</td>
<td>Big Four</td>
<td>High</td>
<td>Science</td>
<td>Partner</td>
<td>1</td>
<td>0h59</td>
</tr>
<tr>
<td>C3</td>
<td>Big Four</td>
<td>Middle</td>
<td>Science</td>
<td>Consultant</td>
<td>1</td>
<td>1h37</td>
</tr>
<tr>
<td>C4</td>
<td>Big Four</td>
<td>High</td>
<td>Science</td>
<td>Senior manager</td>
<td>1</td>
<td>1h23</td>
</tr>
<tr>
<td>C5</td>
<td>Big Four</td>
<td>Middle</td>
<td>Administration</td>
<td>Consultant</td>
<td>1</td>
<td>2h06</td>
</tr>
<tr>
<td>C6</td>
<td>Big Four</td>
<td>Middle</td>
<td>Science</td>
<td>Senior Consultant</td>
<td>2</td>
<td>1h48</td>
</tr>
<tr>
<td>C7</td>
<td>Specialist</td>
<td>Middle</td>
<td>Administration</td>
<td>Consultant</td>
<td>2</td>
<td>2h28</td>
</tr>
<tr>
<td>C8</td>
<td>Specialist</td>
<td>Middle</td>
<td>Science</td>
<td>Consultant</td>
<td>1</td>
<td>1h09</td>
</tr>
<tr>
<td>C9</td>
<td>Specialist</td>
<td>High</td>
<td>Administration</td>
<td>CEO</td>
<td>1</td>
<td>1h03</td>
</tr>
<tr>
<td>C10</td>
<td>Specialist</td>
<td>High</td>
<td>Science</td>
<td>CEO</td>
<td>1</td>
<td>0h59</td>
</tr>
<tr>
<td>C11</td>
<td>Specialist</td>
<td>High</td>
<td>Administration</td>
<td>CEO</td>
<td>1</td>
<td>1h00</td>
</tr>
<tr>
<td>C12</td>
<td>Specialist</td>
<td>High</td>
<td>Administration</td>
<td>CEO</td>
<td>1</td>
<td>2h15</td>
</tr>
<tr>
<td>C13</td>
<td>Specialist (ECPAR)</td>
<td>High</td>
<td>Administration</td>
<td>Owner/founder</td>
<td>1</td>
<td>0h55</td>
</tr>
<tr>
<td>C14</td>
<td>Specialist (ECPAR)</td>
<td>Middle</td>
<td>Administration</td>
<td>Consultant/founder</td>
<td>1</td>
<td>1h09</td>
</tr>
<tr>
<td>C15</td>
<td>NPO</td>
<td>Middle</td>
<td>Other</td>
<td>Manager</td>
<td>1</td>
<td>1h19</td>
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<tr>
<td>C16</td>
<td>NPO</td>
<td>Middle</td>
<td>Other</td>
<td>Coordinator</td>
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<td>2h01</td>
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<tr>
<td>C17</td>
<td>NPO</td>
<td>High</td>
<td>Administration</td>
<td>Director</td>
<td>1</td>
<td>1h00</td>
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<tr>
<td>C18</td>
<td>NPO</td>
<td>High</td>
<td>Science</td>
<td>CEO</td>
<td>1</td>
<td>1h27</td>
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<tr>
<td>C19</td>
<td>NPO</td>
<td>Middle</td>
<td>Science</td>
<td>Consultant</td>
<td>1</td>
<td>1h58</td>
</tr>
<tr>
<td>C20</td>
<td>NPO</td>
<td>Low</td>
<td>Administration</td>
<td>Coordinator</td>
<td>1</td>
<td>1h19</td>
</tr>
<tr>
<td>C21</td>
<td>NPO (NWE)</td>
<td>High</td>
<td>Other</td>
<td>CEO/founder</td>
<td>0h49</td>
<td></td>
</tr>
<tr>
<td>C22</td>
<td>NPO (NWE)</td>
<td>Middle</td>
<td>Administration</td>
<td>(former) Consultant</td>
<td>2</td>
<td>1h</td>
</tr>
<tr>
<td>C23</td>
<td>NPO (BNQ21000)</td>
<td>High</td>
<td>Other</td>
<td>CEO</td>
<td>1</td>
<td>1h18</td>
</tr>
</tbody>
</table>

Government officer

| G24  | Government          | High      | Science    | Director – recently retired | 1   | 2h01         |
| G25  | Government (BQ21000)| Middle    | Science    | Officier               | 1   | 0h55         |
| G26  | Government (BQ21000)| Middle    | Other      | Officier               | 1   | 1h09         |

Total: 30 interviews with 26 actors (23 consultants, 3 provincial government officers)