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Item Type	Article
Authors	Béthoux, Élodie;Didry, Claude;Mias, Arnaud
DOI	10.1111/j.1467-8683.2007.00544.x
Publisher	John Wiley & Sons, Inc.
Rights	With permission of the license/copyright holder
Download date	2026-07-07 14:50:22
Link to Item	http://hdl.handle.net/20.500.12424/217049

What Codes of Conduct Tell Us: corporate social responsibility and the nature of the multinational corporation

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This article examines the corpus of multinationals' codes of conduct on CSR issues which has been collated by the ILO. Through lexical software analysis we identify three main points of reference in CSR codes of conduct: respect for ILO norms, discussion of the company's relationship to society, and reinforcement of its internal discipline and organisation. Surprisingly, the issue of corporate responsibility itself constitutes a small part of the text of the codes. Their main targets are employees, who are charged with a dual task: to ensure the implementation of the principles stated in the codes, and to protect the assets of the company. In a reflexive dimension, codes of conduct help us to understand the key characteristics of the companies which made them.

Keywords: Corporate social responsibility, codes of conduct

Introduction

In the current context of economic globalisation, corporate social responsibility is often considered to be a new mode of governance which can overcome the weakening of labour laws whose effects are confined within national boundaries. It appears to be a voluntary or spontaneous solution to issues of working conditions and environmental protection, especially in developing countries where multinational companies operate. For instance, the European Commission has suggested that CSR could be an important complement to public regulations that form the so-called "European social model", and could be exported beyond territorial boundaries as the scope of action of multinational companies extends (European Commission, 2001).

In order to avoid taking a position on CSR based on merely intuitive or normative analyses, we have chosen to study the notion of "social responsibility" by focusing on some of its more objectively verifiable elements, that is

to say, the codes of conduct which have been adopted by a growing number of multinational companies (MNCs). Thus the notion of CSR is examined from what companies officially say about it: what do they tell us about CSR? A corpus of codes has been built up on the basis of the texts collated by the ILO. We think that we can speak of a "corpus" since all the initiatives which are gathered together in this way are thereby made public and so can assist the construction of new codes of conduct in other companies: the corpus represents an important database for any company wanting to adopt its own code or to improve an existing one. In Amartya Sen's words, it represents an "informational base", created by reference to the principles laid down by the ILO itself (Sen, 1999).

Lexical analysis of this corpus of codes leads to a first observation: greater importance is attached to matters relating to work and to workers than to environmental issues. The focus on work has two different aspects: declarations of workers' rights on the one hand, and the assertion of managerial hierarchy that

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places them at the disposal of the company on the other.

The analysis leads to a second observation: declarations of principle always take into consideration what might be described as the main corporate objective, that is the maintenance of profitability through the production and marketing of goods or services and the use of wage labour. From this point of view, codes reflect the specific problems faced by companies operating in different areas and sectors. This leads to a broad presentation of company activities in the texts of the codes, including the effects of using subcontracting or the difficulty of controlling geographically distant supply chains. Finally, what is revealed here is the very substance of the company itself, in particular regarding what it sees as its core assets. Thus codes of conduct represent a heuristic tool through which companies enter into a discourse about themselves.

A thematic plurality emerges in the codes: they are based on a distinction between the assertion of general principles which are compatible with shareholders' interests on the one hand, and the use of hierarchical controls to ensure that the provisions of codes are implemented on the other. This plurality of perspectives makes it possible to identify the distinguishing features of each company. In so far as they reveal the core characteristics of each company, the codes of conduct are taken as signs of a reflexive dimension to "corporate governance" (Lenoble, 2003). By enacting new obligations not only for the company, but also for its employees, codes also call into question the idea of workers' subordination to managerial control.

In the next section we provide an overview of the corpus of codes and explain our research methods. Then we discuss the conception of "social responsibility" that emerges from the codes, in particular as regards companies' economic imperatives. In the last section we examine the way in which codes deal with the issues of "work" and "workers".

Profile of the corpus of codes of conduct and the methodology used

Profile of the corpus

The collection of codes of conduct that we have gathered together represents a "corpus" whose meaning can be elucidated through lexical analysis. These codes share the same concern: to set out general principles to which the company intends to adhere. In this respect, they (implicitly) refer to various initiatives taken by international organisations. The ex-

istence of these international norms is crucial for the development of codes of conduct. Together they represent an informational base¹ emerging, in particular, from the principles laid down in the *Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy* adopted by the ILO Governing Body in 1977 and amended in 2001. The 1977 Declaration deals with job security, vocational training and working conditions, including a decent wage regarding national practices and standards, and the prohibition of child labour and forced labour. It contains a substantial passage on industrial relations, including union rights and a support of collective bargaining. The 1998 ILO *Declaration on Fundamental Principles and Rights at Work* is also a significant landmark in this framework of international regulation (Duplessis, 2004). The 2000 UN *Global Compact* programme brings together fundamental rights and principles that relate to environmental protection, among other things.²

But these international-level norms remain at the level of general guidelines. As voluntary initiatives of corporations, codes are characterised by an important degree of variation. Indeed, codes do not restrict themselves to ILO or Global Compact principles; they cover many other issues. Our objective was to examine the extent of this variation in order to identify a typology of codes and companies. To do so, we analysed the corpus of codes using a lexical-analysis software ("Alceste"³).

The codes were selected on the basis of their presence on the relevant ILO website⁴ during July 2004. We looked at codes and international framework agreements⁵ that concerned only one company, and excluded documents that set rules for a whole industry, such as for the toy production sector.⁶ The codes were initially characterised by variables relating to the company's identity such as its corporate name, its sector and the country of its head office (Table 1).

The corpus consists of 175 codes and framework agreements adopted by 166 companies – some companies, like Danone, have adopted several codes. These 175 texts include 151 codes of conduct and, in addition, 24 framework agreements negotiated and signed by trade union federations (either national or international). One-third of the companies are European, and almost two-thirds are North American.

Textile companies are prominent in the sample (they represent more than one-quarter of all companies). The other main sectors are those dominated by very large MNCs, such as the chemical industry and the oil and food sectors. Next are some traditional sectors

Table 1: Sectors and origins of studied companies in the sample

	Europe	North America	Asia/Pacific	Others	Total	%
Textile	5	35		2	42	27.8
Chemical industry	5	8			13	8.6
Oil	7	4			11	7.3
Food sector	4	4	1		9	6
Commerce	4	3	1		8	5.3
Forestry	3	5			8	5.3
Telecom	5	3			8	5.3
Public services of distribution	2	3	1		6	4
Aeronautics		5			5	3.3
Construction	4	1			5	3.3
Finance	3	2			5	3.3
Building materials	2	2	1		5	3.3
Electronics	3	1			4	2.6
Car	1	2			3	2
Education		3			3	2
ICT		3			3	2
Metal sector		3			3	2
Mines		2		1	3	2
Media, culture	1	1			2	1.3
Catering – Hotel – Restaurant	1				1	0.7
Toy	1				1	0.7
Health		1			1	0.7
Unknown		2			2	1.3
Total	51	108	4	3	166	100%

(such as forestry, construction and mining) and high technology sectors (such as telecommunications, aeronautics, electronics and ICT). Public services and utilities are also present (water, gas and electricity, but also health and education services). The textile companies, and to a lesser degree chemical industries and aeronautics, are mainly North American, whereas the oil and construction companies are mainly European.

How does the software operate?

Our analysis is distinct from those that are carried out on the basis of an *ex ante* or *a priori* classification, evidence for which is then sought in the texts of the codes (e.g. see OECD, 1999). Our lexical analysis needs no *a priori* categories. The analysis aims at assessing the heterogeneity of the sentences that make up the texts of the codes. Words are indicators of degrees of textual variation between sentences. The software progressively isolates several categories of sentences that shares a common vocabulary and thus can be characterised by words.

Each code is also characterised by additional variables that come into play in a second phase of the lexical analysis, once the different classes have been identified. The lexical analysis determines a correlation degree between each of these variables (company name, economic sector in which it mainly operates and head-office country of origin) and the different categories that have been isolated in the first phase. For instance, codes from the oil sector are strongly associated with our category 3, which deals with sustainable development. Nevertheless, a code is rarely situated only in a single category. It is often linked to several categories. For instance, codes from the textile sector are frequently associated with category 1, which deals with ILO norms and with category 5, which is concerned with the prevention of health and safety risks.

The process of analysis and the results of the classification

The lexical classification process consists of a series of steps (Table 2). In the first step, it produces a division that isolates category 1 from

the rest of the texts. This category, which represents 12.19 per cent of the corpus, deals with the different norms laid down by the 1998 ILO Declaration. A large number of codes refer to these matters. But the codes of conduct go beyond the ILO's statement of principles. The classification goes on to isolate two other sets. A first set (categories 2, 3, 4 and 5; i.e. roughly half of all sentences) illustrates a concern for public interest and community. In the second set (categories 6, 7 and 8, amounting to 38 per cent of all sentences), the company is defined as a collection of assets that is beyond the control of the employees.

The analysis suggests that, for companies, their commitments towards the community constitute the core of social responsibility. These commitments are set out in categories 2 and 3. However, beyond these core commitments, the issues of "work" and "workers" seem to constitute the central subject-matter of the codes: they are as the focus of the ILO principles (category 1), actors in the implementation of norms and commitments undertaken in the codes (categories 4 and 5), but, in a fundamental sense, external to the company (categories 6, 7 and 8).

CSR: between market and production

CSR is taken to provide a general motive for the production of corporate codes of conduct. Therefore we can read these codes in a reflexive manner to see how companies themselves conceive of the notion of CSR. Meanings of social responsibility seem to cluster around two poles: *responsibility* is associated with integrity and honesty in commercial transactions (category 2); the *social* dimension is linked to the protection of the environment in which the company operates, in order to guarantee the conditions for a sustainable development of its activities (category 3).

The ethics of the market (category 2)

In the corpus of texts, the words "responsible" and "responsibility" are linked to a category that describes the conduct of the company within its market context, with specific emphasis on its relationship to its consumers.

*The linked vocabulary of category 2:*⁷

around(23), build(50), strive(47), achieve+(47), achiev+(17), behave+(14), behavior+(51), believe+(60), best(51), brand+(20), citizen+(53), commit+(188), consum+(42), core(34), culture+(33), deliver+(33), demonstr+(32),

depend+(29), diversity(28), each(109), ethical+(140), everyone+(26), excellence(21), expect+(100), fairness(21), fair+(95), focus+(30), found+(29), goal+(34), growth(23), guide+(29), high+(134), honest+(81), honor+(16), integr+(134), leader+(46), live+(52), living(18), miss+(16), mutual+(41), obey+(18), partner+(94), people+(67), pride+(17), principle+(132), qualit+(88), relation+(126), reputation+(82), respons+(126), reward+(21), sharehold+(69), stakeholder+(25), standard+(206), successful+(15), success+(83), superior+(30), teamwork(15), trust+(78), uphold+(18), value+(190), world+(69), base+(56), dealings(31), diverse(15), enhance+(18), improving(17), listen+(11), pledge+(12), share+(49), standard (205), strengthen+(13), vendors (49), workforce (13)

This category identifies a first set of words characterising honesty ("honest", "integrity", "fair") and refers also to the words "ethical", "commitment" and "commit". It also finds a place to a second set of words associated with the quality of products and to a third one referring to consumers' living standards. The word "standard", which is thus linked to ethics, to product quality and to consumers' expectations, is ambiguous in this context. Finally, "shareholders" are seen as benefiting from the company's ethical behaviour in commercial transactions in the long run.

The ethical dimension does not correspond to altruism, since it supports the company's reputation and constitutes an element that reinforces good public relations. This extract from the *Shell Statement of general business principles* gives a good synthesis of the different lexical sets at stake in this class:

our #reputation will be upheld if we act with #honesty and #integrity in all our #dealings and we do what we think is right at all times within the legitimate role of business. shell companies have as their #core #values #honesty, #integrity and respect for #people. shell companies also firmly #believe in the fundamental #importance of the promotion of #trust, openness, #teamwork and #professionalism, and in #pride in what they do. (Statement of general business principles, Royal Dutch Shell, 1997)

These different lexical sets are linked to a specific activity: the "dealings" of companies with consumers and subcontractors. In an egalitarian perspective, subcontractors and consumers are considered as "partners" in this category, which is dedicated to the ethics of the market.

At the same time, this commercial ethic is directly linked to the fundamental aim of the

company: shareholder value. Therefore the word "value" occupies an important space in this category, as it refers both to the values of the community and to value for the shareholder.

Thus category 2 is fundamentally concerned with the company's commercial relations with partners who are exterior to the firm: consumers, subcontractors and shareholders. CSR turns out to be about the ability of the company to perform its commercial functions in an ethical way, and at the same time to contribute to the greater satisfaction of its shareholders. In this category, it is therefore far from being concerned with all so-called "stakeholders": workers and NGOs, for example, do not figure prominently.

Environmental protection as the ethics of production (category 3)

The linked vocabulary of category 3:

agricultural(14), aim+(31), challenge+(22), charter+(23), chemical+(23), communit+(103), construct+(22), continuous+(32), contribute+(42), countries+(85), cultural+(29), declaration+(19), develop+(198), dialogue(36), econom+(79), efficienc+(16), effort+(42), emission+(13), environmental+(143), environment+(132), expert+(15), federation(17), field+(15), food+(21), garment+(15), gas(11), gener+(15), georgia(15), global+(52), group+(158), human+(107), impact+(49), improve+(92), industr+(77), infant+(12), initiat+(42), international+(124), life+(43), long+(46), million+(12), natural+(26), nestle(65), new+(66), oil(17), operate+(63), operat+(107), pacific+(15), packaging(12), product+(154), progress+(39), recycl+(17), reduce+(20), shell(20), social+(105), societ+(24), support+(104), sustain+(62), today+(14), water+(28), wide+(30), wood+(18), companies+(71), europe+(15), farm+(9), formula+(9)

This category is close to category 2 on the meanings attributed to responsibility, but with an insistence on the material dimensions of production and products, to the extent of implying a certain relationship of exchange between human beings and the natural environment. Here we find one of the themes generally associated with CSR: the interest of the firm in environmental issues. But it appears to be linked here to the corporation's self-interest in preserving the basis of its own activity. Preserving the environment means aiming at a sustainable development of the firm itself: avoiding pollution, social strife and occupational disease without weakening

competitiveness and endangering profitability. It is also about promoting innovation in order to overcome limits on certain natural resources, such as oil.

In the case of Nestlé, the interest of the company in protecting the environment implies the application of corporate expertise to control the quality of its raw material: water. This meaning appears as a response to the crisis that affected Nestlé's subsidiary Perrier when the chemical benzene was discovered in bottles of Perrier mineral water in the USA in the early 1990s:

Preserving both the quantity and the quality of #water is not only an #environmental #challenge, but also one that spans #agricultural, #economic, political, #social, #cultural and emotional considerations. as a #leading #food and beverage company, #nestle considers #water to be a key #priority for the #manufacturing of its #food #products, for their #preparation by consumers, and for bottled #waters. (Nestlé Corporate Business Principles, Second Edition, March 2002)

The Royal Dutch Shell *Statement of General Business Principles* is also characteristic of this category. It illustrates the importance accorded by the company to combining environmental protection with innovation and profitability:

profitability is essential to discharging these responsibilities and staying in business. it is a measure both of #efficiency and of the value that customers place on #shell #products and services. it is essential to the allocation of the necessary corporate resources and to #support the continuing investment required to #develop and #produce #future #energy #supplies to meet consumer needs. (Statement of general business principles, Royal Dutch Shell, 1997)

The multiform focus on "work" in the codes

In addition to the commitments undertaken by companies in their relations with consumers and to the environment, work and workers appear in three different ways in the corpus. First, work and workers are regarded as the beneficiaries of the principles laid down in the ILO Declaration. Secondly, they appear as components of a self-control system aimed at monitoring the implementation of the code itself. Finally, codes define a boundary between company property and its assets on the one hand, and workers' assets on the other. In this context, they prohibit workers' conduct that might blur that boundary.

Regulation of working conditions: the impact of ILO principles (category 1)

The linked vocabulary of category 1:

abuse+(39), age+(169), allow+(46), apprenticeship+(14), associat+(66), bargain+(55), basis(76), benefit+(68), bond+(24), character+(29), children+(47), child+(143), coerc+(25), collect+(59), color(79), compensate+(39), compens+(41), complet+(12), compulsory(48), condition+(86), convention+(75), corporal(26), dignity(29), disabilit+(85), disabled(24), discrimin+(163), educat+(54), employ+(271), equal+(104), ethnic+(49), exploit+(23), favor+(34), female+(11), force+(107), form+(88), free(64), freedom+(65), gender(73), ground+(16), harass+(126), hiring(31), hostile(17), hour+(87), indentured(21), intimid+(30), join+(32), knowingly(20), labor+(194), manufacture+(33), marital(37), mental+(39), minimum+(79), minorities(16), national+(142), offensive(24), opinion+(21), opportunit+(99), orient+(58), origin+(99), overtime(65), pay(69), physical+(100), pregn+(13), premium+(13), prevail+(22), prison+(51), psychological(18), punish+(37), qualified(17), race+(138), racial+(27), recruit+(47), religion+(108), religious(16), right+(134), school+(27), sex(72), sexual+(123), status(67), union+(65), verbal+(42), veteran+(38), wage+(91), week+(42), women+(36), workplace+(72), work+(360), young+(43)

Through lexical analysis, a first division in the textual corpus isolates a category which expresses an interest in work and workers, with a recurrence of the words “work”, “labour” and “employee”. Work is considered from the point of view of the worker in the “workplace”, in order to assess the working conditions granted by “manufacturers”. At first sight, this is a classical approach for CSR (Sobzack, 2002), associated above all with companies operating in developing countries where few norms regulate working conditions.

This category is very homogeneous, in other words, it exhibits a very strong clustering effect. This is the result of the strong influence of ILO norms on the writing of codes of conduct, in particular the principles laid down in the 1998 Declaration. The child labour issue is the most frequently cited one (“age”, “children”, “child”). In that prospect, ILO principles and conventions are invoked in order to justify certain prohibitions or to impose demands on the company’s subcontractors, as for instance in the Levi Strauss code of conduct:

use of #child #labor is not permissible. #workers can be no less than 14 #years of #age and not #younger than the #compulsory #age to be in #school. we will not #utilize partners who use #child #labor in any of their facilities. we support the development of legitimate #workplace #apprenticeship programs for the #educational #benefit of #younger people. we will not #utilize #prison or #forced #labor in contracting relationships in the #manufacture and finishing of our products. (Global Sourcing & Operating Guidelines, Levi Strauss and Co., 2000)

The issues of “discrimination” and “harassment” are also frequently raised. Their scope is a large one since they relate to differences of treatment on the grounds of sex or in accordance with sexual orientations, and also on the basis of religion or race. The issue of job evaluation which is central to human resource management techniques is also dealt with at this stage.

On the other hand, principles of freedom of association and right to collective bargaining are less often referred to, as we can see the lesser importance attached to words like “association”, “freedom”, “bargain” and “union”, even though such rights are explicitly cited in the 1998 *Declaration of Fundamental Rights*. In many codes, such as those of Wal-Mart and Verizon, they are not mentioned at all.

More generally, the issue of workers’ fundamental rights induces companies not only to wonder aloud about their internal policy, but also to project the products which they market as the result of good working conditions. These conditions matter because of the ILO norms. They also matter for consumers. This perspective leads codes to reconsider the link between the company and its workers – reversing the tendency of outsourcing strategies to weaken those ties. It raises the question of the problematic position – or “subordination” – of workers in a context where the international division of labour represents a major obstacle to the identification of their employer. The labour law concept of “employment” traditionally implied a certain responsibility of the employer: hence it is vital to identify and locate with some precision the relationship between employer and worker (Didry and Brouté, 2006). If subcontracting offers a way of escaping this responsibility, the presence of long-lasting relations between a multinational company and its subcontractors may be a basis for reasserting the links. In this context, the ILO norms are of some assistance in sketching out a new form of employment contract or, at least, a link between depen-

dence and responsibility at a global level. It is noteworthy that in codes of conduct we find, on the one hand, material relating to the company's relations with its subcontractors which is designed to regulate the conditions of employment of their workers, and on the other hand, elements relating to human resource management processes within companies themselves.

The company as an informational hierarchy: the worker, investigator and investigated at one and the same time – circulation of information from the bottom up (category 4)

The interest of codes in work and in workers who contribute to the realisation of the companies' products implies a certain reconstitution of the whole production process. Issues of the organisation of work are also present in the other categories identified in the textual corpus.

The linked vocabulary of category 4:

act+(196), address+(29), advice(27), advisor+(16), alleged(10), alternative+(12), anonymous+(16), answer+(37), appropriate+(95), ask+(47), booklet+(15), breaches(12), bring(19), call+(32), code+(201), com(19), comfort+(14), complaint+(34), concern+(133), conduct+(230), consequence+(16), contact+(59), correct+(35), discipline+(28), disciplin+(47), dismissal+(17), doubt+(20), ethic+(142), explain+(12), face+(17), faith+(30), feel(36), find(33), guid+(56), help+(58), immediate+(50), investig+(82), issue+(110), line+(43), manager+(103), manual+(17), matter+(72), misconduct(24), occur+(15), office+(49), polic+(176), poss+(52), problem+(35), prompt+(35), question+(129), raise+(45), raising(13), read(18), report+(216), resolve+(28), resolving(16), resources+(95), retaliat+(34), retribution(14), serious+(24), stop(12), supervis+(13), supervisor+(119), suspect+(40), take(100), talk+(15), thorough+(13), unethical+(24), up(37), viol+(158), web(11)

The sentences gathered together in this category correspond firstly to reporting systems concerned with acts violating codes of conducts or company policy. In this perspective, corporate responsibility is situated at the level of workers who can be individually defined as witness, investigator, suspect and the guilty, all at the same time. The strong association of the second person with this category is signi-

ficant: the company addresses its employees directly ("you", "your", "should").

Codes define how to report such acts to a competent body that assesses their gravity ("raise", "question", "investigate"), pointing out the possibility that employees can act anonymously. Such a body can be either the "supervisor" or a committee with expertise in "ethical" questions. The company's "legal department" is also very often cited in cases where legal advice is needed (on the rules governing the lodging of complaints, for example). In turn, when public authorities institute a disciplinary process or an investigation, employees are advised to prevent the destruction of documents where that could have legal consequences for the company. Yet the line "manager" remains the most frequently mentioned person. Thus, corporate hierarchy is a constant point of reference in the codes.

Reporting acts that are likely to violate the code of conduct or general laws is also encouraged, thanks, in particular, to the setting up of dedicated telephone lines (called "concern lines", "ethics lines", "ethics and compliance helplines") or mailboxes. These procedures can also lead to disciplinary sanctions, in cases where violations are acknowledged and ascribed to a specific worker. These sanctions emanate from the company and are described using the language of penal controls:

where #serious allegations are #concerned, fair and comprehensive #investigations will be #conducted by those #senior human #resources, security and #line management closest to the #issue. if this is inappropriate, more #senior #managers or global #heads of these functions should be notified. #acts #inconsistent with this #code must be #promptly #corrected and are subject to #disciplinary #action #up to and including termination of employment. (Nokia Code of Conduct revised September, 2002 (created 1997))

Several disciplinary sanctions are mentioned, with a specific stress on dismissal. But acts that infringe the principles laid down in the codes are rarely explicitly defined and linked to a specific sanction, as in the criminal law. In particular, codes of conduct reveal a specific kind of discipline, in which employer authority does not appear directly, but through the scope for the renegotiation of employment contracts. Such sentences can be linked to the "contractual" model in the economic theories of the firm, which is close to that depicted by Alchian and Demsetz (1972, p. 777):

The firm does not own all its inputs. It has no power or fiat, no authority, no disciplinary action any different in the slightest degree from

ordinary market contracting between any two people. I can "punish" you only by withholding future business or by redress in the courts any failure to honour our exchange agreement. That is exactly all that any employer can do. He can fire or sue, just as I can fire my grocer by stopping purchases from him or sue him for delivering faulty products.

From this point of view, discipline results from the specific feature of work contract which distinguishes it from a sale contract: it represents a form of hiring contract in which the party who centralises the contracts and coordinates the workers' activity is thereby granted certain powers over the others.

The prevention of risks as an affirmation of hierarchy – a top-down circulation of information (category 5)

The linked vocabulary of category 5:

accident+(33), adequate+(28), adopt+(30), affirm+(20), agree+(111), aid+(10), annual+(28), appoint+(34), assess+(40), assurance+(21), attach+(13), audit+(49), board+(44), carry+(25), chief+(41), committee+(86), *compli*+(221), comprehens+(12), content+(13), contractor+(62), controll+(22), control+(75), design+(51), detect+(13), drug+(21), effect+(71), emergenc+(11), *ensure*+(103), equip+(38), establish+(60), evaluat+(32), execut+(64), facilit+(84), factor+(54), fruit+(13), full+(54), hazard+(29), *health*+(173), identify+(27), *implement*+(112), injur+(22), inspect+(51), instruct+(23), internal+(56), licensee+(18), manage+(121), measure+(54), *monitor*+(106), necessary(49), occupational+(27), order+(60), officer+(62), oversee(11), periodically(21), president+(30), *procedure*+(101), program+(74), region+(16), relev+(68), *require*+(186), review+(74), risk+(77), *safe*+(215), site+(37), staff+(38), step+(27), subcontractor+(27), task+(22), temporary(12), train+(82), out(58), undertake(26)

While category 4 corresponds to an activity of inquiry that refers violations back to the rules of the code, category 5 deals with prevention and assessment of risks in the case of plant, equipment and products (in particular concerning the use of "drugs"). It aims at preventing damage that the company would be accountable for, either under the general law, or with regard to the rules that it has laid down in its own code of conduct. Here, the issue of "health" and "safety" is central. It is linked to a general form of responsibility, and implies vigilance right at the top of the company.

This category depicts the reverse movement to that described in category 4. In category 5, it is the top levels of the managerial hierarchy that provide a stimulus aimed at preventing the occurrence of certain risks of harm, thanks to a set of audits, controls and related procedures. The hierarchical dimension of control appears through the most frequently mentioned verbs: "monitor", "inspect", "assess", "audit", "control", "review", "evaluate". It is concerned with the appointment of committees and the establishment of procedures, but also with worker training in order to secure against health and safety risks. Control is maintained in two ways: the direct management of risks ("accident", "hazard", "risk") and supervision of the code's implementation. This hierarchical authority is also asserted both inside and outside the company, in particular in relations with "contractors" and "subcontractors".

This category reveals a model of corporate governance in which direction emanates from the "executive" board of managers. The threat of accidents and liabilities brings about a situation in which the company reasserts its authority over its constituent stakeholders, including the shareholders, in a way which corresponds to the distinction between "market" and "hierarchy" identified in transaction cost economics (Williamson, 1975). In Williamson's perspective, this category of sentences reveals a hierarchical structure of the concerned firms.

Defining the company

However, the company is not only defined by the existence of a hierarchical power. It is also defined by its "assets", which represent the counterpart of capital in its balance sheet. The balance sheet itself is a central element for the existence of the company as an organisation that holds and puts to use resources and assets. The distinction between company property and personal ownership that is established by accounting practice and corporate law is a constitutive element of modern market economies, as Max Weber emphasised (Weber, 1996 (1920)). In the codes, this distinction is addressed to employees who have responsibility for the company's assets. It implies a clear identification of corporate property, but also the prohibition of any personal appropriation of its assets. Codes also prohibit any interpersonal relations between workers and company partners or public officers, which could be seen as foreign influences in the organisation.

Interpersonal relations as conflicts of interests (category 6)

The linked vocabulary of category 6:

accept+(163), appear+(89), approval+(43), arise(25), avoid+(66), bank+(21), cash+(18), charit+(16), close+(27), common+(18), compromise+(11), conflict+(172), constru+(12), courtes+(35), create+(42), decision+(78), discount+(12), donation+(8), embarrass+(11), entertain+(91), event+(18), exchange+(17), famil+(72), frequent+(6), friend+(24), gift+(169), give(70), gratuit+(24), hospital+(13), impartial+(10), impropriet+(13), influence+(75), influencing(11), interest+(216), interfere+(19), involve+(38), item+(22), judgment+(30), loan+(19), loyalt+(18), meal+(39), member+(59), modest+(15), nominal(33), occasional+(19), offer+(75), outside(49), perceive+(19), personal+(104), potential+(46), receiv+(29), recipient+(15), serv+(17), situation+(82), small+(14), spouse(12), supplier+(132), travel+(18), behalf(30), connect+(25), position+(32), reason+(54), consider+(46), divide+(10), favour+(8), gain+(18), receive+(25), solicit+(13), ticket+(7), undue(7)

The exchange of "gifts" cannot be prohibited, as it supports the relationship of the company's employees with the members of other organisations, especially the employees of other companies. However, basic common sense and personal judgement are invoked to invite employees not to go beyond the limits and to question their capacity to act for the company interest. This category is composed of highly standardised sentences. The "occasional" dimension of the exchange of gifts ("accept", "offer") is frequently underlined. The value of gifts must be "modest". Gifts must not seem inappropriate ("impropriet"). They can be "meals", "entertainments", "loans" and so on, the list being more or less detailed from one case to another:

Examples of business #gifts are #items such as a company product, another company's product, #meals, cocktails, #discounts, #hospitality, #entertainment, recreation, #tickets, promotional #items, #transportation, including #transportation in your car, and, in some #circumstances, incentive or reward trips. In general, the #giving or #receiving of #gifts and #gratuities in #return for the use or purchase of company products is prohibited. (Code of Business Conduct and Ethics, Pentair Inc., 2000)

These injunctions address both the employees and their "families".

In addition, codes that are associated with this category try to define "situations" that

may involve a conflict of interests with the greatest accuracy:

the following #situations may #involve #conflicts of #interest: #outside directorships or employment or #private enterprises with a #petro #canada customer, contractor, #supplier or competitor; #substantial #personal or #family financial #interests in a customer, contractor, #supplier, or competitor; conduct of #petro #canada business with a #firm owned or controlled by a #petro #canada employee, a #friend or a #family #member. (The Way We Do Business, Our Code of Conduct, Petro-Canada, 2003)

The intention is that gifts should not place the employee in a situation in which he or she would come under an obligation to another. Such a situation would create a relationship of influence. Codes of conduct define and limit the obligations that gifts create for employees in order to avoid the company getting involved itself. Thus they aim at blocking the effects of the social process emphasised by Marcel Mauss (1950 (1923)), by maintaining the relationship between employees and "outsiders" within professional boundaries. Codes also tend to limit the role of family and friendly links in commercial relations for the same reason.

More generally, the matter is to avoid as far as possible the competition between personal interests and that of the company at the level of the employee's occupational activities. The avoidance of conflict of interests then appears to be a way to measure and audit workers' loyalty to their company.

Prohibition of corruption and defence of competition (category 7)

The linked vocabulary of category 7:

abroad(9), approve+(43), bid(37), cost(39), make(175), agenc+(37), agent+(72), anti(36), antitrust(59), arrange+(36), boycott+(53), bribe+(31), brib+(21), campaign+(21), candidate+(56), certain+(55), charge+(24), compete+(25), competitor+(136), competit+(94), consult+(80), contract+(104), contribut+(71), corrupt+(31), counsel+(62), custom+(181), deceive+(11), depart+(118), discuss+(66), elect+(23), enter+(35), export+(41), federal(58), fee+(17), fine+(16), foreign+(85), fund+(46), good+(37), govern+(212), governmental(30), improper+(58), indirect+(54), kickback+(25), law+(305), legal+(154), lobby+(15), market+(94), money(30), negoti+(26), obtain+(74), official+(109), particip+(53), payment+(123), political+(110), price+(85), pric+(40), prior(38), prohibit+(108),

proposal+(19), regul+(117), request+(51), restrict+(62), retain+(34), routine+(16), sale+(72), service+(145), state+(120), territor+(25), truthful+(17), understand+(14), unfair+(19), vigorous+(12)

This category could be defined as the converse of the previous one. Codes attempt to prohibit “bribes” and “corruption” practices through which employees try to *strengthen* the company’s position. More generally, they “prohibit” conduct that violates public “regulations” and “laws”. They first ban any consultation with “competitors” or “customers” to fix prices or to restrict “market” competition. In this respect, antitrust law is a central point of reference:

no director, officer, employee or #agent of the company shall #enter into any understanding, agreement, plan or scheme, express or #implied, #formal or #informal, with any #competitor in #regard to #prices, terms or conditions of #sale or #service, production, distribution, #territories or #customers; nor exchange or #discuss with a #competitor #prices, terms or conditions of #sale or #service, or any other #competitive information; nor #engage in any other conduct which violates any applicable #antitrust #law. (Code of Conduct, Halliburton, 2000)

Any financial support for “officials”, representatives or candidates must be done after consultation with the company’s legal department and is banned when it obviously infringes the law. Prohibitions, or at least limits, are specifically laid down concerning the company’s activities in countries under a US embargo. Codes are also concerned with the relationships of companies with countries that boycott US-friendly countries. These various requirements also refer to American legislation, the *US Foreign Corrupt Practices Act*, which is concerned with the foreign undertakings of American companies. This probably explains the strong association between this category and the US codes of conduct.

Company property (category 8)

The linked vocabulary of category 8:

access+(104), account+(75), accurate+(75), acquire+(28), acquisition+(30), asset+(124), author+(121), belong+(25), book+(42), buy+(57), classified(12), client+(13), communic+(79), computer+(77), confidential+(171), copyright+(37), data(77), disclose+(99), disclos+(100), discover+(16), electronic+(40), entr+(22), false+(24), file+(25), financial+(146), ident+(16), inform+(569), inside(68), insider+(61), intellectual+(66), internet(55),

invention+(25), investor+(33), know(92), mail+(63), material+(149), media(29), mislead(21), misuse+(34), nonpublic(53), others+(137), patent+(40), possess+(51), press+(15), priva+(32), proper+(211), propriet+(96), protect+(160), public+(193), purpose+(87), record+(131), release+(36), safeguard+(46), secret+(60), securit+(164), sell(74), sensit+(41), software(49), stock+(72), sun(31), system+(81), theft+(19), third+(49), trademark+(34), trade+(125), trad+(105), transact+(73), unauthorized(56), unless(58), use+(324), using(51), voice+(16)

Workers indirectly appear in this category, which is focused on the company’s property, assets and confidential information, through words like “use” and “user”. The aim is to “protect” what happens inside the company. In that respect, the company is defined as a specific entity that is above all distinct from its employees (who are sometimes called “others”).

The notion of the company property covers a wide range of elements. A first category corresponds to information on the company that can provide the basis for insider trading (with words like “financial” and “security”):

for #example, if a person possesses #material #nonpublic #financial #information regarding a company or its #securities, that person is prohibited from #buying or #selling #stock in the company until the #information has been #disclosed and disseminated to the #public. this is because the person #knows #information that will probably cause the #stock price to change, and it would be unfair for the person to have an advantage over the rest of the #investing #public. (Code of Conduct, Halliburton, 2000)

Information that the company wants to protect is not limited to financial data. The codes also frequently correspond to its employees’ intellectual production. Thus they call into question employee ownership of discoveries (with the recurrence of the word “author”). This approach is particularly common with regard to information technology. It frequently involves an assertion of company ownership of inventions and discoveries:

employees may be liable as individuals for illegal #software #use. to the extent permitted under applicable law, employees, contractors and temporary employees shall #assign to the company any #invention, work of #authorship, composition or other form of #intellectual #property created during the period of employment. (Focus on Integrity, Code of Conduct, Compaq, 2001)

The confidentiality of information held by the company is also a central matter when the

company holds information concerning its customers. This is particularly the case with banks and financial companies. But this category is also strongly linked to Verizon, one of the leading telecoms companies and Internet providers in the USA. In its code, the protection of data privacy represents the core of its activity, and is even a constituent element of its "identity". In this regard, the protection of data privacy implies the control of employees' activity and of their external communications in particular. In order to restrict the company exposure to interference by outsiders, monitoring and inspection of employees' communications are justified.

The protection of corporate property is asserted in an area – skilled work in the ICT sector – where one could expect to find a larger concern for the autonomy and interests of employees. In the view of Alchian and Demsetz, highly skilled work implies a cooperative model of the firm. Here the opposite is revealed: the concern for ensuring company property and control over employees' inventions and discoveries, added to the concern with guaranteeing the confidentiality of information and data on the company, reinforces hierarchy. The code of conduct amounts to an assertion of the unity and integrity of the company against the centrifugal tendencies implied by highly skilled work, the products of which are bound up with the knowledge, skills and loyalty of the individual worker. Though these products are the result of quasi-"idiosyncratic" capabilities of the individual workers, they have to be seen as property of the firm. New types of productive activity make it necessary for the company to develop new forms of appropriation; as Zingales (2000) shows, the growth of an activity orientated towards the production of new learning implies the need to assert the company's identity in the face of the centrifugal tendencies that may derive from this activity. In this model, corporate property appears to be a voluntary affirmation that could be contested by the workers themselves (individually or collectively), in order to solidify the firm as an entity different from its employees.

Conclusion

Analysis of corporate codes of conduct reveals that CSR is based on a notion of *commercial* responsibility that is linked to the marketing of products and to the necessity of meeting consumers' expectations. This gives rise to commitments in terms of product quality, productive efficiency and environmental protection. ILO principles are present in a majority of codes, but with a marginal position as

regards the larger set of principles that are set out. Work and workers first appear as elements of hierarchical control over company activities, through a form of self-control which is aimed at ensuring the implementation of the code itself. The company's employees are defined both as those potentially guilty of infringing the code, and as the first line of monitors of its effectiveness. A pure form of hierarchy emerges from these categories. It is linked to the threat either of accidents or of personal fault in a perspective that is close to the analysis of the firm–market boundary in transaction cost economics (Williamson, 1975).

Nonetheless, the true identity of the company only appears when its ownership is at stake. As a collection of assets whose security must be respected, the company is presented as an organisation based on the centralisation of ownership. This is what makes it possible to limit workers' hold over the information and knowledge they produce. In high-tech companies, work implies a sharing of the fruits of innovation, raising the issue of property rights in discoveries and inventions, and focuses attention on the precise nature of the link between the worker and his/her company. Codes of conduct resolve this problem by stating that discoveries and inventions should be integrated into the company's own pool of assets. By doing so codes appear as specific tools for the governance of network companies (Zingales, 2000).

Finally, lexical analysis conveys the idea that codes of conduct are radically inconsistent with workers' participation in the management of the company. A concern for workers' protection can be observed. But at the top of the hierarchy of values that the codes sketch out, there is the impersonal property of the company. This prevails over concerns for workers' freedom and autonomy at an individual level (with the stress on workers supervising other workers) as well as at a collective level (through the strict demarcation of company property from personal property). Protection of property seems the supreme value, rather than the value of substantive freedom which is argued by Amartya Sen, for example, to be the fundamental indicator of economic development. As regards the prospect for a politics of capabilities, CSR appears as the antithesis of the European social model, in as much as social dialogue and worker representation constitute two pillars of this model (Didry and Mias, 2005). The development of transnational workers' representative bodies (such as European Works Councils) may come into conflict with the one-sided initiatives that currently characterise codes of conduct (Béthoux, 2004).

Nevertheless, in our view, codes of conduct anticipate a period in which companies will become more aware of the transnational dimension of their responsibilities. The codes give expression to the values of hierarchy rather than those of citizenship. But at the same time, they could open up a new sphere of collective action for worker representatives. In particular, they point to a reconsideration of the role of managerial prerogative and a redefinition of the space in which workers could act collectively to further the values of economic democracy.

Acknowledgements

This paper is the result of a collective research effort led by Élodie Béthoux, Claude Didry and Arnaud Mias within the framework of a European research programme, "Eurocap", funded by the Fifth Research and Development Framework Programme of the EU. It was part of a "work package" on CSR and social dialogue involving a number of collaborators.

Notes

1. On the cognitive dimension of public action and its impact on economic activities, see Sen (1999), and on its interpretation in a European perspective, see Salais and Villeeneuve (2005).
2. For a general presentation of these different international norms, see Drouin (2002).
3. Information on this software, which was invented by a French researcher, Max Reinert, can be found at http://www.image.cict.fr/index_alceste.htm (accessed July 2006). An interesting illustration of the use of Alceste is given by Reinert on the case of the *Rêveries du promeneur solitaire* by Jean-Jacques Rousseau, see <http://www.cavi.univ-paris3.fr/lexicométrica/jadt/jadt2000/pdf/31/31.pdf> (accessed July 2006).
4. See <http://www.ilo.org/dyn/basi/VpiSearch.Main> (accessed July 2003).
5. Codes of conduct and international framework agreements are not adopted in the same way: the former are adopted voluntarily and unilaterally by the company management; the latter result from a bargaining process involving management on the one hand and international and national trade union representatives on the other.
6. The common characteristic of the selected texts is that they were negotiated at company level. Our corpus is thus distinct from the one examined by the OECD (1999) which includes texts adopted by associations, industry-wide professional organisations, NGOs, international bodies, etc., even though they are all presented as "voluntary codes of conduct" by the OECD. Only 48 per cent of the documents from the OECD corpus specifically emanate from individual companies.
7. Figures in brackets report the number of times the word in question is present in all the sentences that are gathered in this category. Words that make up this list are therefore considered to be strongly linked to this category: an important proportion of their usage in the corpus as a whole takes place in the sentences of this category.

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