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Three types of organizational boundary spanning: Predicting CSR policy extensiveness among global consumer products companies

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Three Types of Organizational Boundary Spanning:

Predicting CSR Policy Extensiveness Among Global Consumer Products Companies

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Abstract

As part of the rise of a worldwide corporate social responsibility (CSR) movement, companies have increasingly incorporated social and environmental concerns into their policies. This paper examines the extensiveness of these policies, proposing that an underappreciated contributor is the degree of organizational boundary spanning. The paper is novel in integrating multiple types of boundary spanning into a single empirical framework, including product, sub-unit, and national boundary spanning. The paper adds complexity to the literature by theorizing that different types of boundary spanning associate with CSR policy extensiveness in different issue areas. The results show that product spanning associates with CSR policy extensiveness in the area of consumers, sub-unit spanning in the areas of workers, and nation-state spanning in all issue areas. A unique, comprehensive, and global dataset of 2,714 prominent consumer goods companies in the Goodguide database underpins these findings.

Keywords: corporate social responsibility; boundary spanning; corporate social policy; policy

extensiveness

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Three Types of Organizational Boundary Spanning:

Predicting CSR Policy Extensiveness Among Global Consumer Products Companies

Company policies are significant objects of management research, not only as technical materials that codify internal practices, but also as symbolic structures that articulate the priorities, identities, and values of organizations to external audiences (Meyer & Rowan, 1977). In recent decades, particularly with the rise of the corporate social responsibility (CSR) movement (Waddock, 2008), company policies have increasingly addressed social issues, such as those related to workers (Nie, Lämsä, & Pučetaite, 2018), human rights (Renouard & Ezvan, 2018), consumers (Villa Castano, Perdomo-Ortiz, Duenas Ocampo, & Duran Leon, 2016), supply chains (Oka, 2018), and the natural environment (Baranova & Meadows, 2017). Policies on these issues are now ubiquitous on company websites, throughout dedicated CSR reports, and even in annual financial disclosures (Bromley & Sharkey, 2017). Indeed, the widespread diffusion of corporate social policies is the backdrop to a sharp criticism of the CSR movement – that companies have engaged in CSR merely by changing their policies, rather than by changing their actual business practices.

Notwithstanding this increased recent attention to CSR, companies still differ remarkably in their CSR policies. As for contemporary examples of these differences, Walmart extended its policies in early 2018 to cover paid family leave – a privilege enjoyed by less than 15 percent of private-sector American workers.[1] Citigroup's published code of conduct, detailing many of its ethical

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[1] http://fortune.com/longform/us-family-leave-parental-leave-activists/

policies, runs over 18,000 words,[2] whereas Boeing's fits onto a single page.[3] Both Amazon and Apple recently received shareholder proposals to adopt policies to promote board gender diversity, with Amazon acceding to new protocols but with Apple resisting and ultimately prevailing in the shareholder vote.

As practical justification for studying CSR policies, we note that their adoption may contribute to long-term positive social impacts, despite criticisms that many CSR policies are little more than window dressing (Bromley & Powell, 2012; Hawn & Ioannou, 2016). "Moral entrapment" (Haack, Schoeneborn, & Wickert, 2012) or the "paradox of empty promises" (Hafner-Burton & Tsutsui, 2005) are notions that even token commitments to CSR policies can give stakeholders the leverage to hold companies accountable. When CSR policies among companies reach a critical mass, a willingness and capacity on the part of businesses to address progressive social issues may be signaled to governments, potentially leading to the emergence of mandatory regulations (Edelman, Uggen, & Erlanger, 1999). Lastly, since CSR policies are a fairly objective and generally publicly available indicator of business' CSR engagement, these policies are often key components of CSR ratings schemes, which may have tangible consequences for companies, especially when these ratings are consulted by investors in constructing portfolios and consumers in making purchasing decisions (Flammer, 2013). In short, by analyzing the factors that lead to the adoption of CSR policies, we may achieve greater understanding of the factors that ultimately bring about positive social changes.

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[2] http://www.citigroup.com/citi/investor/data/codeconduct_en.pdf
[3] http://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/english.pdf

As for theoretical contributions, we focus in this paper on CSR policy extensiveness, a concept

that has been developing only recently in the CSR literature. CSR policy extensiveness refers to

the range of "different categories of environmental and social information" that are addressed by

company policies, rather than just the mere presence or absence of a CSR policy that covers a

single issue area (Cho, Exeter, & Patten, 2015, p. 2). CSR policy extensiveness recognizes that

companies have recently increased their CSR engagement not only in depth, but also in breadth

(Heikkurinen & Forsman-Hugg, 2011; Yusoff, Mohamad, & Darus, 2013), not only in scale, but

also in scope (Sethi, Martell, & Demir, 2017, p. 800; Grosbois, 2012). Studying CSR

extensiveness answers calls to approach CSR as an "umbrella" or "fundamentally

multidimensional" construct that encompasses a variety of issue areas (Costa & Menichini, 2013;

Capelle-Blancard & Petit, 2017, p. 919 Frynas & Yamahaki, 2016, p. 261).

More specifically, we analyze whether companies have wide-ranging CSR policies across the

areas of workers, consumers, human rights, supply chains, and the natural environment. As for

the validity of these particular issue areas, we note that they have underpinned much theoretical

(Frynas & Yamahaki, 2016) and empirical work (Bair, 2017; Bansal, Gao, & Qureshi, 2014;

Groza, Pronschinske, & Walker, 2011; Karp, 2015; Locke, Amengual, & Mangla, 2009). These

issue areas are standard dimensions of ratings frameworks like CSR-S Monitor (Sethi et al.,

2017) and KLD Analytics (Capelle-Blancard & Petit, 2017), of principles-based CSR

frameworks like the UN Global Compact (Wynhoven & Stausberg, 2010), of standards-based

frameworks like the ISO 26000 (Hahn, 2013), and of transparency-based frameworks like the

Global Reporting Initiative (Toppinen & Korhonen-Kurki, 2013).

As a second theoretical contribution, we argue that a significant factor for understanding the degree of CSR policy extensiveness is organizational boundary spanning. Organizational boundary spanning is the spread of an organization across multiple institutionalized domains, which are "complex, socially constructed and negotiated entities that have fundamental effects on organizational life" (Heracleous, 2004, p. 96), including such boundaries as those that separate company sub-units (Teigland & Wasko, 2003), product categories (Leung & Sharkey, 2013), and national borders (Schotter, Mudambi, Doz, and Guar, 2017). We note here that many forms of boundary spanning appear to be on the rise among organizations, with research showing the increasing spread of organizations across national borders (Pope & Meyer, 2015) and the advent of new organizational designs to manage a multiplicity of sub-units (Roberts 2007). Our attention to organizational boundary spanning contrasts with the dominant tendency in the CSR literature to view organizations as more or less singular entities that are well described by such attributes as size and headquarter country (Orlitzky, Schmidt, & Rynes, 2003). The idea of organizational boundary spanning, rather, answers calls to introduce complexity into the study of CSR, portraying organizations as inherently heterogeneous entities that must be managed and coordinated across multiple internal and external boundaries (Frynas & Yamahaki, 2016, p. 273; Aggerholm & Trapp, 2014; Vashchenko, 2017; Vaz, Fernandez-Feijoo, & Ruiz, 2016). In theorizing a relationship between organizational boundary spanning and CSR policy extensiveness, we consolidate prior work by integrating three different types of boundary spanning into a single empirical study. While the literatures on sub-unit, product, and nation spanning have continued to deepen, they are seldom conjoined or related to the outcome of CSR policy extensiveness.

In connecting and further developing these literatures, we posit a relationship between CSR policy extensiveness and organizational boundary spanning that is not general, but contingent. Rather, we theorize that boundary-spanning organizations have both incentives and disincentives to formalize CSR policies. On the one hand, policy formalization may bring efficiencies from standardization, may coalesce a larger organizational identity, and may signal the organization's values to external audiences. On the other hand, extensive CSR policies may have the disadvantage of limiting the autonomy and flexibility of boundary-spanning organizations' sub-units and business segments (Newton, Ewing, & Collier, 2014; Orton & Weick, 1990). Cognizant of these opposing forces, we propose that the relationship between boundary spanning and CSR policy extensiveness may depend on the specific type of boundary spanning, which may engender policy formalization only in specific CSR issue areas.

Turning to our data component, we present the first analysis of comprehensive, cross-national measures of the CSR policy extensiveness of 2,714 consumer products companies in the "GoodGuide" database.[4] This database covers the full population of companies whose products are purchased by a large cross-section of the global consuming public and for whom CSR engagement is likely to be a salient concern. We construct our main independent variables from a wide range of data sources to build scales that aggregate various dimensions and types of organizational boundary spanning. After describing methods and presenting results, our paper ends by reviewing major theoretical contributions and discussing practical implications for the substantive area of corporate social responsibility.

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[4] http://www.goodguide.com/about.

Corporate Social Policy: The Institutionalization of CSR within Companies

Corporate social responsibility is the notion that businesses, in addition to profits, should seek positive social and environmental impacts (Davis, Whitman, & Zald, 2008). CSR has come to encompass ideas that companies should abide by widely held social norms, respect the traditions and needs of host communities (Joutsenvirta & Vaara, 2015), and oftentimes voluntarily go beyond legal compliance to adopt discretionary pro-social programs and practices. More broadly, CSR is thought to serve as a corrective to prevailing notions of economic neoliberalism in which businesses benefit the commonweal simply by pursuing stockholder interests, obviating the need for companies to engage in dedicated, voluntary, and extra-legal pro-social actions (Friedman, 1970).

Company policies are documented sets of broad guidelines that inform companies' responses to future situations, while directing and restricting the plans, decisions, and actions of employees in the achievement of corporate objectives (Epstein, 1987).[5] Corporate social policies serve to incorporate CSR principles into formal or official materials, tending to render businesses' commitments to CSR as a matter of public display and, presumably, private practice (Epstein, 1998). As CSR policies are often adopted after much explicit deliberation, they are generally indicative of the degree to which specific sets of social ideas, norms, and practices have been rationalized in a company. Overall, policy adoption may be viewed as a specific type of CSR

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[5] This definition draws language from the "corporate policy" entry in the online Business Dictionary (www.businessdictionary.com).

action through which businesses socially construct their organizational identities, clarify their values, and standardize specific social and environmental practices (Scott & Lane, 2000).

The widespread diffusion of CSR policies in recent decades represents a new era in a movement that was initially met with much resistance. Supporting the claim that CSR has transitioned from "heresy to dogma" (Hoffman, 2001), tens of thousands of companies today endorse social policies in their official documents. One prominent example is the dramatic rise in business signatories to the United Nations (UN) Global Compact, which in recent years included more than 10,000 businesses across 170 countries, with each signatory committing to principles ranging from collective bargaining to environmental sustainability (Lim & Tsutsui, 2012). Other well-documented examples include the spread of CSR-themed mission statements (Verboven, 2011) and the incorporation of CSR principles in corporate by-laws in response to shareholder resolutions (Proffitt & Spicer, 2006). Helping to explain the increasing extent to which companies appear to be formalizing their CSR commitments are recent surveys of business leaders across dozens of countries and industries, which report widespread belief that CSR can assist in traditional business goals such as enhanced corporate reputation, lower capital costs, or better employee recruitment and retention (e.g., Accenture, 2013). Reflecting these widespread beliefs, CSR policies in the contemporary period are no longer confined to particular countries, regions, or industries, but have become international and pan-industry in scope (Christmann, 2004).

Corporate Social Policy Extensiveness and Organizational Boundary Spanning

CSR policy extensiveness is the extent to which companies' policies encompass many social issue areas. The concept is much overlooked in extant empirical work that focuses on business practices rather than the company policies that presumably shape those practices to begin with. In the large scholarship on corporate social performance, for example, scholars seek to understand why some companies have better social impacts than others (Waddock & Graves 1997). Even where the CSR literature attends to policies, more emphasis oftentimes remains on practices. This is apparent, for example, in the numerous studies on policy-practice decoupling (Westphal & Zajac, 2001), which propose that companies adopt CSR policies for legitimacy reasons but fail to implement them to preserve operational autonomy (Lim & Tsutsui 2012).

Studies that directly address CSR policies consist mostly of diffusion studies of single policies, rather than analyses of the extent to which companies adopt numerous CSR policies across a variety of issue areas (Pope & Lim, 2019). This scant attention to CSR policy extensiveness seems mismatched to the construct of CSR, which is now understood to be an umbrella term that subsumes a litany of social issues (Dahlsrud, 2008). Framing the extensiveness of companies' CSR policies also seems increasingly warranted given that there are many companies that have now committed themselves to an assortment of CSR issues, some of which seem unrelated to their core technical operations. Nike Inc., for example, a leading global seller of athletic apparel, has recently used television commercials to advertise its commitment to a host of social issues, including gender equality, racial injustice, and religious tolerance (Ladd, 2018). As additional illustration of the idea that CSR is a highly polysemic construct, the evaluation schemes that assign companies CSR performance scores do so by amalgamating sub-scores in an array of CSR

dimensions (Mattingly, 2017). In sum, companies are likely to realize the full CSR construct only to the extent that they address themselves to a spectrum of social issues.

As a main theoretical contribution, we suggest that a significant predictor of CSR policy extensiveness is the degree of company boundary spanning – the spread of a company across institutionalized domains (Frynas & Yamahaki, 2016; Mellahi et al., 2016). Our focus on boundary spanning contrasts with the existing CSR literature. Researchers most commonly predict CSR from singular company characteristics, such as size, age, visibility, industry, and headquarter nation (e.g., Blombäck and Wigren 2009). A focus on boundary spanning, by contrast, does not conceptualize companies as singular but as constituted by a multiplicity of internal and external environments. In our paper, we integrate three different types of boundary spanning into the same empirical model – the spanning of sub-units (Teigland & Wasko, 2003), products (Leung & Sharkey, 2013), and nations (Schotter et al. 2017). We identify these types from a broader literature on boundary spanning whose attentions to CSR are very much underdeveloped (Frynas & Yamahaki, 2016). Our baseline expectation is that all three types of boundary spanning lead to more extensive CSR policies, although we also raise the novel argument that different types of boundary spanning have stronger effects on CSR policy extensiveness in specific social issue areas.

Indeed, we suggest that an overall connection between boundary spanning and CSR policies is not a foregone conclusion. Rather, the relationship may be subject to opposing forces. On the one hand, boundary-spanning organizations may increase CSR policy extensiveness at the corporate level, rather than retaining informal approaches among various sub-units and business segments,

in order to gain efficiencies from standardization (Christmann, 2004; McWilliams & Siegel, 2001). Organizations spanning an array of products, sub-units, or nations may also use extensive CSR policies to coalesce or signal a pro-CSR organizational identity (Gössling & Vocht, 2007) that appeals to their various stakeholders, including workers (Gubler, Larkin, & Pierce, 2017), consumers (Bhattacharya & Sen, 2004), and regulators (Kinderman, 2012). The various industrial and geographic audiences that companies span, while having their own distinct preferences and tastes (Fleming & Waguespack, 2007; Levina & Vaast, 2005), may nonetheless respond well to organizations that position their identity around widely held social values that transcend local settings (Creed, Scully, & Austin, 2002; Kislov, 2014; Kislov, Hyde, & McDonald, 2017). These logics imply that the adopted CSR policies are extensive: narrow or limited CSR policies may not be sufficient to project the desired organizational identity or to choreograph business practices.

On the other hand, the institution of extensive company-wide CSR policies is likely to come with costs (Kiron et al., 2015; Sprinkle & Maines, 2010). Such policies may preclude various organizational sub-units and operating segments from developing their own individualistic and informal approaches (Newton et al., 2014). Companies with extensive CSR policies may have less autonomy and flexibility to be responsive in ambiguous or fluctuating operational environments (Perrow, 1967; Brunsson, 1990). Indeed, due to these pressures, critics have suggested that even official CSR policies are oftentimes decoupled from everyday practices so that organizations can protect their operational core from nontechnical social influences (Bromley & Powell, 2012). As for organizational identity, companies with high boundary spanning may wish to avoid integrating themselves around widely held "hyper-norms" (Huemer,

2010) that may strike their various business segments as overly generic (Fleming &

Waguespack, 2007; Levina & Vaast, 2005). Indeed, due to the contemporary widespread

involvement of companies in CSR, some have argued that CSR may have lost its ability to

distinguish companies from their competitors (Dowling & Moran, 2012; Peloza, Loock, Cerruti,

& Muyot, 2012).

Given these two opposing logics, it is not clear that boundary spanning either enhances or

inhibits the formalization of extensive CSR policies. We further discuss these logics below in

sections that introduce particular types of boundary spanning.

Sub-unit Spanning

Research has long recognized that boundary spanning occurs *within* organizations (e.g., Teigland

& Wasko, 2003; Alexander, Teller, & Roggeveen, 2016). Sub-unit spanning, more specifically,

refers to the spread of organizations across multiple units that fall under a single formal

organizational structure, such as subsidiaries, branches, and franchises (Daft, 1992; Simon, 1996;

Kang, 2013). Managers of complex structures of sourcing, production, and distribution may have

an incentive to formalize extensive policies because separate or inconsistent approaches across

business units will not benefit from economies of scale (Anderson & Gatignon, 1986; Lucea &

Doh, 2012). More extensive policies may permit tighter governance at the corporate level as a

means to integrate, coordinate, and control various sub-units (Acquier, Valiorgue, & Daudigeos,

2017; Christmann, 2004). On the other hand, sub-unit spanning companies may forego extensive

CSR policies in order to give their sub-units more operational flexibility when dealing with emergent issues in heterogeneous operating environments. Research on organizational design, for example, has long recognized that organizations are systems that can benefit from the "loose coupling" of sub-units rather than their tight integration through policy standardization (Weick, 1976). As a simple example, a school might allow its classrooms to formulate their own approaches to homework, testing, and curriculum so that its teachers can be more responsive to the needs of their particular students. There may be similar benefits from loose coupling for companies with many subsidiaries that are characterized by volatile labor (Fisch & Zschoche, 2012) and economic conditions (Chung, Lee, Beamish, & Isobe, 2010). While there are opposing forces at play, our hypothesis here and further below is that the greater complexity of boundary spanning companies leads to a higher baseline need to integrate sub-units through greater policy extensiveness:

H1a: Companies with greater sub-unit spanning have greater CSR policy extensiveness.

While sub-unit spanning may lead to CSR policy extensiveness in general, it may have a larger effect on some policy types. In particular, as sub-units are internal to organizations, sub-unit spanning may have larger effects in increasing the extensiveness of policies related to internal stakeholders, namely workers. Other policy types, by contrast, including those related to supply chains, consumers, and the natural environment, implicate entities or stakeholders that are external. As illustration of the content of worker policies, they may express the organizational position on such matters as job security, unionization, and employee healthcare. Worker policies

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may also intertwine with employee ethics, addressing such matters as whistleblowing and sexual harassment (Chughtai, Byrne, & Flood, 2015; Kalshoven & Boon, 2012; Prottas, 2013).

It is true that worker policies may yield returns even for companies with limited sub-unit spanning. Presumably all companies may have better employee recruitment, for example, from the institution of progressive policies on such matters as work-life balance and maternity leave (Turban & Greening, 1997). Similarly, all companies might find that such policies cause employees, once onboard, to have higher retention and productivity (Gubler, Larkin, and Pearce, 2017). Other potential benefits, as well, such as the belief that work is more meaningful, may be available to companies that adopt extensive worker-related CSR policies, whether or not these companies have high degrees of sub-unit spanning (De Roeck, Akremi & Swaen 2016).

That said, these benefits may be more salient for companies with workforces dispersed across multiple sub-units. Companies with employees across many functional silos may be particularly drawn to policies that raise their *esprit de corps* (Verbos, Gerard, Forshey, Harding, & Miller, 2007). Such companies may also have an outsized need to lubricate their internal labor market by ensuring that workers enjoy the same CSR protections throughout various organizational sub-units (Weaver, Trevino, & Cochran, 1999). Increasing workers' identification with the company, which may foster trust and limit internecine competition, is another benefit that may be especially attractive to sub-unit spanners (Ashforth, Rogers, & Corley, 2010). Lastly, having worker-related policies may provide legal protection in the event of a major ethical breach, an occurrence that may be more difficult for sub-unit spanners to avoid or anticipate due to their greater complexity (Child & Rodrigues, 2011). Thus, even though there appears to be a *general*

business case for *all* companies to adopt extensive worker-related CSR policies, the case may be especially strong for sub-unit spanners.

H1b: Companies with greater sub-unit spanning have greater CSR policy extensiveness in the area of workers.

Product Spanning

Another form of boundary spanning is the spread of organizations across products (Baumann-Pauly, Scherer, & Palazzo, 2016). As different product domains are likely to have their own set of competitive dynamics, coercive forces from regulatory bodies, and normative influences from professional, credentialing, and consumer associations (Calzolari, 2016; DiMaggio & Powell, 1983; Thornton, Ocasio, & Lounsbury, 2012), product spanners are likely to grapple with much operational heterogeneity. In doing so, product spanners may deliberate on the benefits and drawbacks of integrating their product divisions through the institution of extensive company-wide CSR policies.

On the one hand, product-spanners may gain flexibility to deal with the particular fluctuating demands of their various product divisions by limiting CSR policy extensiveness. Product spanners may become isomorphic with disparate industry-level expectations by allowing their product divisions to formulate their own approaches that align more closely with local standards (Koivupalo, Sulasalmi, Rodrigo, & Väyrynen, 2015). As a simple example, a company with a

high degree of unrelatedness in its product diversification, such one that sells both coffee and nuclear power, may find it too onerous to commit its coffee division to the high standards of transparency and environmental protection that are expected of its nuclear power division. On the other hand, there are also potential benefits from extensive company-wide policies. In particular, McWilliams and Siegel (2001, p. 123) have argued that "there are economies of scope in the provision of CSR, or cost savings that arise from the joint production of CSR characteristics for several related products." These benefits have some empirical backing. Xu & Liu (2017), for example, find that product diversification is associated with higher CSR investments. The potential efficiency incentives for creating extensive CSR policies that are shared across product divisions motivate our baseline hypothesis below.

H2a: Companies with greater boundary spanning across products have greater CSR policy extensiveness.

Product spanning is also likely to have an external dimension, encompassing the spread of organizations across consumers. Consumers, as well, have been a focal point of CSR discussions, with much recent attention to issues such as consumer privacy, product safety, ethical advertising, and product labeling (Castaldo et al., 2009). Consumers are often segmented, not only by product types but also by product characteristics such as price, quality, functionality, and style. Companies with high product spanning may realize efficiency gains by centralizing consumer relations in communications or marketing departments that develop and oversee company-wide policies. Procter & Gamble, PepsiCo, Unilever, and Coca-Cola, for example, are companies that own dozens of brands and which have highly professionalized marketing

departments. To the extent that product-spanning companies respond to these incentives by becoming leaders in consumer responsibility, they may realize, not only efficiency gains, but also branding benefits. As CSR has become a broad-based consumer preference (Bhattacharya & Sen, 2004), it may bring about such benefits as greater consumer loyalty and increased willingness to pay (Polonsky & Jevons 2009).

> H2b: Companies with greater boundary spanning across products have greater CSR policy extensiveness in the area of consumers.

Nation Spanning

Our last form of boundary spanning is across national institutional environments, capturing the extent to which companies have operations in multiple countries (Schotter et al., 2017). Nation spanning may implicate large cultural differences in linguistic, political, economic, familial, ethical, and religious heritage (Shin, Hasse, & Schotter, 2017). Nations also tend to have distinctive legacies in regard to how businesses relate to workers, governments, and broader society (Jackson & Apostolakou, 2010). Due to these differences, worldwide variability in CSR may be explained partially by the evolution of CSR within preexisting national systems (Matten & Moon, 2008).

Host and home governments of nation spanners may be sensitive to criticisms that these companies have moved abroad to exploit lax labor regulations, seek out "pollution havens" (He

2006), or truck away the natural resources of local communities. Nation spanners may therefore use extensive CSR policies to signal to these governments a commitment to higher norms that transcend nationally-specific cultures (Attig et al., 2016; Lim & Tsutsui, 2012). Research on "world society," for example, has shown that CSR has become an increasingly valued concept within the global polity and within the international network of nongovernmental organizations (Meyer, Pope, & Isaacson, 2015). As such, by signaling their commitment to "international rules," companies may "acquire a 'passport' to the international market" (Gugler & Shi, 2009, p. 7).

If CSR policies are signals, the strength of these signals may be increased by formalizing extensive policies that detail commitments to a variety of CSR issue areas. Few policies may not serve well for securing international access in the present context of pervasive apprehension that companies are engaging with CSR only superficially (Bromley & Powell, 2012). This process of signaling may also be subject to competition. Presumably many other companies will seek to use their policies to display commitments to a broad variety of CSR concerns in order to compete for international contracts and access (Leonardo, Federico, & Nazaria, 2011). Competition of this sort may generate a virtuous cycle whereby CSR policies become more inclusive over time of a variety of CSR policy dimensions.

    H3a: Companies with greater nation-state spanning have greater CSR policy
           extensiveness.

Nation spanners may be particularly likely to formalize policies in the specific areas of human rights and supply chains, two issues whose discourses have been especially international in scope (Bair, 2017; Karp, 2015; Lim & Tsutsui, 2012; Soundararajan & Brown, 2016). Human rights, including the right to life, family, shelter, and freedom of thought,[6] are thought to be independent of country or "universal." Scholars of international law have begun to consider non-state actors, such as corporations, as themselves having obligations to advance and enforce human rights norms (Clapham 2006; Wynhoven & Senne, 2004). As such, companies may formalize their commitments to human rights to increase the external legitimacy of their entry into states where human rights are considered to be less respected or developed.

Supply chain discourses, as well, mostly implicate companies that are operating across national borders (Bair, 2017). The notion of supply chain monitoring, for example, often suggests that companies have an obligation to hold their overseas partners to standards that may be higher than what exists in the foreign regulatory context. Formal supply chain policies may protect internationally diversified firms from reputational crises that stem from difficult-to-predict lapses in the behavior of their disparate foreign partners (Minor & Morgan, 2011). Conversely, companies that operate within the boundaries of a single country may see little functional need or signaling benefit from extending policies related to globally oriented issues such as supply chains or human rights.

> H3b: Companies with greater nation-state spanning have greater CSR policy
>
> extensiveness related to human rights and supply chains.

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[6] See the UN Declaration of Human Rights (1948).

Data and Methods

The firm-level scores of CSR policy extensiveness utilized in this paper were calculated from

data that were manually extracted in January 2016 from GoodGuide,[7] a web-based platform that

provides assessments of the social and environmental impacts of global consumer goods and

their producers. Established in 2007 by Dara O'Rourke,[8] an environmental and labor-policy

professor at U.C. Berkeley, who has conducted extensive research on sustainability, supply

chains, and many other CSR issues (O'Rourke, 2003, 2004, 2005), the database has two major

strengths in our estimation. First, it has comprehensive coverage of companies involved in the

manufacture and distribution of a diverse range of consumer goods, including personal care,

household chemicals, food, pet food, lighting, home appliances, cell phones, and car products.

As an inclusion criterion, companies in the database comprise the top 80 percent of sales in their

respective product categories. Nearly all global household names appear in the database, such as

Coca-Cola, Samsung, BMW, Google, and Facebook, although a larger share are smaller

enterprises with lower public profiles such as Acura Pharmaceuticals and African Red Tea

Imports. Companies in the GoodGuide database include 51 percent of the top 500 companies by

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[7] In recent years, GoodGuide has stopped publishing company-level policy scores to focus on product-level
responsibility. The data used in this paper can be retrieved from the Wayback Machine, an internet archive, by
searching for "www.goodguide.com/companies" and navigating to the early months of 2016.
[8] Much of Dara O'Rourke's expertise with CSR and sustainability issues stems from his research and consulting
experience at various institutions, including a PhD and MS from U.C. Berkeley, a professorship at MIT, consulting
for the World Bank and United Nations Environment Programme, and currently as a Senior Principal Scientist with
Amazon (see http://www.daraorourke.com/about).

revenue in the Compustat North American database and 45 percent of the same category of companies in the Compustat Global database.[9]

Second, GoodGuide's social policy scores have a broad coverage of social issue areas. The indicators at the most granular level allow the calculation of policy-coverage scores for the sub-dimensions of the natural environment, workers, human rights, consumers, and supply chains. Many of these dimensions are common in other CSR ratings schemes. For example, KLD Analytics, perhaps the oldest and best-known CSR ratings scheme in the United States, includes sub-indicators for all the CSR dimensions used in our paper. Similarly, human rights, labor, and the environment are major categories of principles of the UN Global Compact, a flagship initiative of the global CSR movement.

While several studies have examined how consumers use CSR evaluating platforms like GoodGuide (Kampf, 2014; Angeles, 2016), we could not locate studies that analyzed the GoodGuide database itself. Nevertheless, we have confidence in the construct validity of GoodGuide scores for the following reasons. A survey of CSR experts ranking the credibility of various CSR evaluation schemes found that GoodGuide rated more highly than many other well-known ones such as CROs 100 Best Corporate Citizens, Newsweek Green Rankings, Fortune's Most Admired Companies, Global 100 Most Sustainable Companies, Asset4 ESG Ratings, The Bloomberg Sustainability Initiative and MSCI ESG Indices (Globescan, 2012). These results are especially reassuring given that the survey was conducted only three years after the launch of GoodGuide in 2007, suggesting that the database achieved a high level of credibility in a short

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[9] The sample size in our models (2,724) is smaller than the number of companies listed in the Goodguide database, as many of them have has been assigned policy scores by Goodguide.

period of time. As further evidence of construct validity, our own analyses reveal that the average of GoodGuide measures across all CSR dimensions is significantly correlated with the average CSR scores across all major dimensions in four other global CSR evaluators: Newsweek's Global Green Rankings (where the correlation is .60, $p < .01$); CSRHub (.67, $p < .01$), FTSE4Good Index (.31; $p < .01$),[10] and Thomson Reuters Asset4 (.89; $p < .01$). The relatively high correlation with Thomson Reuters Asset4 is reassuring, given that this scheme is the most explicit among the four in using policy indicators as a component of its overall CSR scores.

Dependent Variables

Our models include a measure of overall CSR policy extensiveness and several measures of extensiveness within particular issue areas. The overall measure is the percentage of all CSR policies in the GoodGuide database that have been adopted by a focalized company. The issue-area measure is the percentage of policies in the GoodGuide database that have been adopted by a company within the areas of workers, consumers, human rights, supply chains, and the natural environment.[11] Because our dependent variables concern only policies, we exclude indicators that are not policy-related, for example, "performance-related" indicators such as the poundage

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[10] The correlation of GoodGuide with FTSE4Good seems relatively lower because the FTSE4Good scheme has much less variation as a binary variable for index inclusion.

[11] These issue areas do not include several dimensions of CSR in GoodGuide. The two excluded areas are "community," for which there are too few underlying policy-based indicators, and "management," whose underlying policy-based indicators overlap with human rights, supply chains, and workers dimensions. Also, although GoodGuide does not report high-level policy scores for human rights and supply chains, we include these since they are major policy dimensions of the database at the intermediate level of granularity.

of greenhouse gas emissions.[12] GoodGuide assigns a score of 4 to indicate the absence of a

policy in an issue area and scores higher than 4 to indicate policy presence. As an intermediate

step, we render these sub-scores in intuitive binary terms by recoding them to 0 for policy

absence and 1 for policy presence. We then calculate our final extensiveness scores as the

percentage of policies in the GoodGuide database that exist within the company either overall or

within a specific policy dimension. GoodGuide seeks to update its indicators of policy presence

every year.[13] Data sources that inform the policy indicators include scientific and government

agencies, commercial data aggregators, nongovernmental organizations, media content, and

voluntary company disclosures through platforms like the Carbon Disclosure Project and the

Global Reporting Initiative, as well as "inter-disciplinary scientific expert panels such as IARC

(International Agency on the Research of Cancer), governmental agencies such as the European

Chemicals Agency (ECHA) and other authoritative sources such as the World Health

Organization (WHO) and the National Toxicology Program (NTP)."[14]

Independent Variables

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[12] Because we are concerned only with GoodGuide's policy-related scores, we did not use the high-level summary scores for "Society" and "The Environment," which are based on many underlying indicators that not policy-related. Rather than use existing summary scores, we build our measure of CSR policy extensiveness by aggregating scores at the most granular level of the database. The reasons behind our coding treatment can be explored through the structure of the database for a given company in our sample, such as Gap Inc., a major clothing retailer, whose archived scores are available here:
https://web.archive.org/web/20160324061746/http://www.goodguide.com/companies/547-the-gap-incorporated-company-reviews-and-ratings.

[13] http://www.goodguide.com/about/methodologies.

[14] https://www.goodguide.com/about/data#/

Each key independent variable in our models is constructed from multiple indicators on the basis

of data that we gathered either manually or from conventional financial databases, including

Compustat, Orbis, Capital IQ, and Thomson One. We constructed our key independent variables

by standardizing the component indicators, adding them, and standardizing the result. We used

an additive scale rather than, for example, a principal components analysis, because we

conceived the constituent indicators as unique ways in which businesses can exhibit boundary

spanning, rather than as correlated measurements of a latent construct. A company with a large

number of subsidiaries, for example, does not necessarily have a large number of branches,

although we consider both indicators to increase sub-unit spanning. Each of our computed scales,

some of whose underlying indicators have been logarithmically transformed,[15] highly resembles

a Gaussian distribution.[16] All our results are resistant to the arbitrary deletion of a single

component indicator of the scales. Whenever possible, we retrieve all variables in such a way as

to ensure a lag of one year.[17] Constructing our key independent variables from multiple

indicators lessens the potential biases of any single indicator.

Table 1 further details the variables. Sub-unit spanning, for example, is the extent to which a

firm has multiple divisions, branches, alliances, and historical mergers. We emphasize that sub-

units fall within the ownership umbrella of a company. They may be distinguished, for example,

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[15] We followed standard statistical practice in logging all variables exhibiting a right skew as evidenced by a visual inspection of histograms as well as statistical tests for skewness (e.g., "sktest" in Stata). The logged variables are noted in the final column in Table 1.

[16] The distributions are largely symmetrical around zero (a centerpoint that is to be expected since the variables have been standardized). Exceptions are "Country CSR," whose distribution has a large spike for the value of the United States, the most represented country in the dataset, and "Business associations," a count variable whose distribution of unlogged values is more Poisson than Gaussian.

[17] Lagging was not possible, for example, where financial databases reported variable values only for the current year, such as for the number of companies' stock exchanges and subsidiaries. For the variables we gathered by hand, as well, we were able in many cases to ensure a one-year lag. For example, historical membership in the World Economic Forum can be retrieved by consulting archived versions of the forum's website.

from supply chain organizations, which engage in economic exchange with a focalized company but are not part of its formal structure. Nation spanning is an index capturing the extent to which a firm's operations are international, with constituent indicators including foreign assets, foreign sales, cross-national stock listings and mergers, and the number of overall geographic segments by which financial results are broken out.

We included several categories of control variables to capture other forces that may induce CSR policy formalization. To control for the prevalence of CSR norms within countries and industries, we followed Cheng, Ioannou, and Serafeim (2014) by separately averaging the assessed CSR performance, minus the focal company, of companies in the same headquarter country and the same two-digit industry of the Standard Industrial Classification scheme. We used two leading CSR evaluation schemes for this purpose, namely Thomson Reuters Asset4 and CSRHub,[18] to avoid the idiosyncrasies of any single scheme and in acknowledgement of ongoing debates about the meaning and measurement of CSR (Turker, 2009). We standardized the respective scores for each database and averaged the scores of companies across databases. To control for the localized "issue-centric" networks (Hoffman, 1999) that may encourage CSR engagement, we counted the number of a firm's memberships in the set of regional and world-level CSR associations that we identified from global CSR compendia (Grayson, 2007; Visser, Matten, Pohl, & Tolhurst, 2010) (see Table 1 for a full listing of these CSR-focused associations). Research suggests that CSR-themed business associations are influential in mobilizing private-sector resources for charitable programs, initiating business executives into

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[18] We lack the space to fully review the construction methodologies of these databases but direct our readers to the online database handbooks (e.g., Thomson Reuters, 2013) and to previous studies that have utilized these databases (e.g., Lys, Naughton, & Wang, 2015).

social responsibility norms, guiding the construction of international certification frameworks (Bartley, 2007), and convening annual mega-conferences where executives and nongovernmental groups set the international CSR agenda (Pope & Lim, 2017; Galaskiewicz, 1997).

New institutional theory suggests that, in addition to embeddedness in localized countries, industries, or networks, organizations are also embedded in the generalized cultural environment (Meyer, Boli, Thomas, & Ramirez, 1997). Organizations that are older, larger, or more visible may be especially conditioned by broader cultural forces. Established, well endowed, and widely known corporations, such as Coca Cola, Nestlé, Ford, or Tata, may be regarded by the general public as not merely one business organization among many but as institutional entities in their own right, with responsibilities and duties akin to individual citizens and state actors (Gössling & Vocht, 2007; Meyer et al., 2015). Therefore, we employ the following controls: age is the logged number of years since the firm's initial public offering (Barnea & Rubin, 2010); size is an index of a firm's assets, earnings, number of employees, and revenues (Burton & Goldsby, 2009); and visibility is an index of the number of web traffic to the company's homepage and Wikipedia page, marketing and advertising expenses,[19] and branding awards (Brammer & Millington, 2006).

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[19] Because most companies are not legally required to report advertising and marketing expenditures, the values of these variables are missing in more than 70 percent of cases. This missingness is one reason that we created a scale variable that includes many other indicators of visibility in addition to advertising and marketing expenditures. The main results do not change with alternative techniques detailed by Pope (2018) for dealing with the high levels of missingness of advertising and marketing expenditures, such as assigning non-reporters a value of zero, assigning companies the industry-level average advertising expenditures, or creating a dummy for whether advertising is reported or for appearance in trade-journal lists of top advertisers.

Recognizing that CSR policies may be spread through capital markets (Guay, Doh, & Sinclair, 2004), with investors, stock exchanges, and financial regulators often pushing public companies for greater transparency about their social policies in order to facilitate investment decisions,[20] we control for capital-market exposure with an index of a firm's number of shareholders, market capitalization, coverage by stock analysts, and number of active listings on stock exchanges worldwide.[21]

Finally, cognizant of findings from previous CSR studies (Amato & Amato, 2011), we control for slack resources, which may afford companies the flexibility to divert resources to CSR activities that may not have immediate, tangible, or easily measured impacts on profitability. Slack resources are an index that is higher for firms with low leverage (as indicated by the debt-to-equity ratio) and more current assets (including cash and assets expected to be converted into cash within one year).

Since only 14 percent of our independent variables are missing when aggregated across variables, years, and companies, but since many companies do not have full data on all variables, we replaced missing values with multiple imputation (Royston, 2004). Table 1 below lists the details of variables used in the analysis, including sources, types, and codings. Table 2 presents

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[20] Our measure of capital-market exposure has not appeared in previous studies and therefore might also be excluded here in the interest of taking an approach that is more grounded in the literature. As for our rationale for including capital-market exposure as a control variable, one major theory is that companies do CSR because it is profitable. Capital markets are thought to discipline companies toward activities that are profitable, which may include CSR. Furthermore, unlike privately held companies, companies that are publicly and widely held may face greater pressures for transparency and this may lead to the formalization and publication of CSR policies to facilitate arms-length market exchange by numerous third parties.

[21] Another highly financialized variable that we tested in unreported models was systemic risk as indicated by the standard deviation over recent years of returns or GDP within particular industries or countries. One could argue that companies will want to avoid CSR policy formalization to retain operational flexibility in times of financial turmoil (Bansal, Jiang, and Jung, 2015). We note that this variable yielded insignificant results in our models.

descriptive statistics and the Pearson pairwise correlation matrix. Appendix A reports industry

and headquarter country breakdowns of the sample.

[Insert Tables 1 and 2 about here]

Models

We conducted OLS regressions of the 2,724 companies in our sample with complete data on all

dependent variables. Formally, multiple linear regression can be represented by the equation $y_i =$

$\beta_0 + \beta_1 x_{i1} + \beta_2 x_{i2} + ... + \beta_p x_{ip} + \epsilon$ where y represents the dependent variables in our models related

to overall and issue-specific policy extensiveness (variables that are described more fully in the

top of Table 1); x corresponds to the explanatory variables (see the other parts of Table 1); β_0 is

the y-intercept term; β_p is the slope coefficient associated with each explanatory variable; ϵ is the

model's residual term, and the subscript i denotes specific companies in our dataset.

We added robust standard errors to our models to guard against heteroskedasticity. Visual

inspection of the histograms of the variables revealed that nearly all resemble a Gaussian

distribution. Diagnostic tests did not suggest multicollinearity as all variance inflation factors are

lower than 3, much lower than common rules of thumb. Outliers did not appear to skew the

results on the basis of Cook's distance and leverage statistics. The link test for model

specification produced an insignificant hat squared term in the main model and in nearly all

robustness checks ($p > .05$).

Results

Table 3 presents the results of our OLS regressions of CSR policy extensiveness on various boundary spanning measures. The dependent variable in the first column is the overall percentage of CSR policies tracked by GoodGuide that have been adopted by a company and in the remaining columns it is the percentage of policies adopted in the specific areas of workers, human rights, consumers, the natural environment, and supply chains. All variables in all models are standardized to ease comparison of coefficient magnitudes. Coefficients of all controls are always in the expected directions (with the exception of capital-market exposure) and are oftentimes statistically significant, lending a degree of overall confidence in the validity of the results. It is noteworthy that the control variable with the most consistently large effects is company visibility, indicated by such components as advertising expenditures and branding awards.

[Insert Table 3 about here]

Controlling for numerous potential confounders, our results show mixed support for our hypotheses about the effect of boundary spanning on the overall extensiveness of companies' CSR policies (H1a, H2a, and H3a), but robust support for our hypotheses that link specific forms of boundary spanning to the adoption of CSR policies in specific issue areas (H1b, H2b, and H3b). Turning to our first hypothesis, the association between sub-unit spanning and CSR policy

extensiveness is not positive and significant in Model 1 (predicting overall policy extensiveness) or in four of the five remaining models (predicting extensiveness in various policy areas). On balance, this result fails to support H1a. Sub-unit spanning, however, does associate with more extensive CSR policies in the area of workers. This is consistent with the argument that, controlling for other types of boundary spanning, sub-unit spanning provides stronger incentives to adopt policies that regulate the behavior of internal actors, but not policies that implicate external actors or entities such as consumers, suppliers, or the natural environment. This result provides evidence in favor of H1b. As for the interpretation of coefficient magnitudes, an increase of a standard deviation in our indicator of sub-unit spanning, for example, associates with an increase of about .12 ($p < $ .01) in the standard deviation in the extensiveness of worker policies, which is of a similar magnitude as several other significant coefficients in Model 2a, including nation spanning (.14), country CSR (.13), and slack resources (.15).

There is limited support for H2a, as product spanning does not have a significant association with overall policy extensiveness (Model 1) nor with policy extensiveness in the majority of constituent issue areas (Models 2a, 2b, and 2d), with the exception of consumer and supply chain policies (Model 2c and 2e). While we did not anticipate a relationship between product spanning and supply chain policies, this relationship is perhaps understandable. A possible rationale is that, since companies with wider product portfolios may also have more diverse supply chains, these companies may realize greater benefits from standardizing their approaches to supply chains through the institution of extensive company-wide policies (Langenberg, Seifert, & Tancrez, 2012). Strengthening H2b, product spanning has a positive, significant association with consumer CSR policies. This result, as well, suggests that boundary spanning has a positive

effect on policy formalization, but one that is confined to the issue area that is likely to be the most implicated by the specific type of boundary spanning. In other words, only within the implicated issue area may the benefits of policy formalization in the form of identity signaling and practice standardization outweigh the potential drawback in the form of reduced operational flexibility.

The final type of boundary-spanning that we built hypotheses around is nation spanning. Unlike the other types of boundary spanning, nation spanning has a positive, significant association with overall CSR policy extensiveness (Model 1). This lends support to H3a. Moreover, nation spanning also corresponds with more extensive policy adoption in the issue areas of human rights and supply chains (Models 2b and 2e), corroborating H3b. The effect of nation spanning is also positive and significant in the issue areas of workers and the environment (Models 2a, 2d), but not in the area of consumers (Model 2c). The effects of nation spanning are not only the most robust, but also generally the strongest in magnitude as compared to the other types of boundary spanning. The only model in which the coefficient of another boundary spanning variable is larger is Model 2c, which predicts extensiveness in consumer CSR policies. These overall results comport with the argument that nation spanning leads to the adoption of CSR policies as a general matter, perhaps due to the increasing status of CSR as an ethical obligation that transcends national settings. As CSR has become increasingly institutionalized in the global domain, which conspicuously lacks a single governance regime and which continues to retain large cross-national differences in economic development and social infrastructure, companies that are multinational may find it expedient to formalize CSR policies in a host of issue areas in order to increase the social legitimacy of their worldwide operations.

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Discussion

In this paper, we trained our lens on the extensiveness of CSR policies, proposing that this construct is partly governed by the competing demands for organizational control and autonomy. We argued that various forms of boundary spanning may shift the calculus in favor of policy formalization. Distinguishing three main types of boundary spanning across products, sub-units, and nations, we built hypotheses about how these types may increase the extensiveness of CSR policies in all issue areas or in several particular ones. Controlling for such factors as company size, age, visibility, and slack resources, in addition to country-, industry-, and network-specific CSR norms, we found consistent evidence that boundary spanning leads to the formalization of CSR policies in the issue areas that are likely to be implicated. Moreover, in the case of nation spanning, we found broad effects on policy formalization in nearly all issue areas.

Our conceptual framework was novel in including indicators of both "internal" and "external" boundary spanning (Teigland & Wasko, 2003). For internal boundary spanning, we found that companies that operate across many sub-units have more CSR policies in the area of workers. For external boundary spanning, we found that product spanning, which often entails the spanning of consumer segments, associates with a greater degree of formalization of consumer CSR policies. We also found that product spanning associates with greater extensiveness in supply chain policies, perhaps because the different products involved have diverse supply chains that can be better overseen through the formalization of company-wide policies

(Langenberg, Seifert, & Tancrez, 2012).[22] Finally, we found that nation spanning associates with the formalization of policies related to supply chains and human rights, issues that are both highly international in scope. Further, we found that nation spanning associates with CSR policies in other areas such as workers and the natural environment. The broad observed effects of nation spanning suggest a global domain in which multinational corporations are conditioned to incorporate CSR in their formal structures as a general matter.

Contributions to the CSR and Boundary Spanning Literatures

We contributed to the CSR literature in three primary ways. First, we focalized CSR policies in contrast to the usual approach of focalizing CSR practices. We argued that more attention to CSR policies is warranted given that they are often signifiers of underlying company practices, objects of social movement campaigns, leading indicators of government legislation, and components of CSR evaluation schemes that can qualify companies for capital from socially responsible investors. We also noted that policies are important objects of management research since they can be symbols of the identity and values that an organization wishes to represent (Meyer & Rowan, 1977). While policies are often perceived as technical documents that coordinate the internal practices of organizations, they are also cultural artefacts that embody the higher ideals that organizations seeks to display to external audiences.

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[22] We thank our anonymous reviewer for highlighting this unexpected finding in our results.

Second, we contributed to the CSR literature by analyzing the extensiveness of CSR policies, rather than their mere presence or absence. We justified our attention to CSR policy extensiveness on the basis of academic conceptualizations of CSR as an umbrella construct that encompasses a variety of social issues (Frynas & Yamahaki, 2016). Our attention to CSR policy extensiveness was also aligned with the approaches of leading CSR evaluation schemes, which consider "CSR performance" to be a composite of the quality of company practices in very disparate issue areas (Sethi et al., 2017). Finally, our attention to CSR policy extensiveness comported well with the contemporary practice of CSR among companies, which have been individually addressing themselves to a range of social issues, causes, and programs. Nonetheless, as we noted in the introduction, despite recognition that CSR is conceptually and practically a fundamentally multidimensional construct, the extensiveness of companies' CSR policies has been largely neglected in prior research (Heikkurinen & Forsman-Hugg, 2011; Yusoff, Mohamad, & Darus, 2013; Sethi, Martell, & Demir, 2017; Grosbois, 2012).

Third, we added to the CSR literature by introducing the Goodguide database. While we were able to locate a few prior studies that predicted whether the Goodguide database would be used by consumers (Angeles, 2016) or whether it would change their purchase intentions (Rourke & Ringer, 2015), we could not find any studies that used the actual CSR scores from the GoodGuide database as key quantitative variables. As a large-sample, longstanding, highly granular database that is comprehensive of many CSR issues and whose credibility has been confirmed in surveys of CSR practitioners (Globescan, 2012), we considered the almost total absence of the GoodGuide database from the quantitative literature to be a serious omission. Moreover, we believe that the GoodGuide database is a particularly unique and attractive source

of CSR information since it is one of the only databases to our knowledge that publishes quantitative assessments specifically related to companies' CSR policies.

We contributed to research on organizational boundary spanning in two primary ways. First, we drew together several sub-literatures that have been developing in isolation, namely, the literatures on product, sub-unit, and nation spanning. By combining three different types of boundary spanning into a single analytic framework, we drew attention to the conceptual similarities among several organizational trends that have been labelled, variously, as product diversification, company internationalization, and organizational internal differentiation. While emphasizing that these trends have conceptual similarities, we also theorized that they each have qualitative differences. For example, we discussed nation spanning as being likely to implicate different cultural-institutional environments, whereas product spanning may implicate operational domains with very different technical problems that are solved in relation to very different consumer segments. We hope that our effort to compare and contrast multiple types of organizational boundary spanning will encourage future researchers to approach this very common phenomenon as having both particular and general effects upon organizations.

Second, we treated organizational boundary spanning as a potential explanation for CSR, particularly for CSR policy extensiveness. Previous research, by contrast, commonly attributes CSR policies and practices to company characteristics that are more singular, such as size, age, and visibility (Margolis & Walsh, 2003; Orlitzky, 2001; Orlitzky et al., 2003). Previous research also commonly views CSR as a response to dynamics within a single national, industrial, or network-based field (cf. Hoffman, 2001). Our research, however, built on nascent approaches

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that link CSR involvement to more complex organizational attributes, such as product

diversification (McWilliams & Siegel, 2001) and internationalization (Attig et al, 2016). That

said, we did not treat all types of boundary spanning as having the same effect on CSR policy

extensiveness. We argued, rather, that different types of boundary spanning implicate different

social concerns and therefore may lead to the formalization of extensive CSR policies in

different social issue areas.

Practical and Managerial Implications

Our theory and findings have three main implications for managers who are deliberating on

whether to extend their CSR policies. First, given that policies serve to control organizational

practices and that boundary-spanning companies may have a greater need for this control, our

findings suggest that CSR may be used by companies in ways that are more governance-based as

compared to the usual research focus on the branding or market-based incentives. If CSR

policies may be used by managers to improve organizational governance by binding disparate

sub-units, product divisions, and geographic segments to company-wide stances on multiple

social issues, this has implications for the pervasive suspicion that CSR policies are mere

window dressing. As noted in the introductory section, there is now a vocal segment of activists

and academics who are concerned that companies' CSR policies are more symbolism than

substance (Pope and Waeraas 2016). These critics tend to assume that the main benefit of policy-

practice decoupling is an improvement to the company image without a corresponding and

potentially costly change to the company's business practices. By contrast, our arguments about

how boundary spanning may extend CSR policy adoption have focused on the potential improvements in corporate governance that may accrue to managers who make the appropriate decision as to integrating disparate divisions or allowing them to retain autonomy. By implication, companies that extend CSR policies to improve *internal* corporate governance may have stronger incentives to follow through with implementation than do companies that extend CSR policies only to gain image benefits from *external* stakeholders.

Second, our theory also acknowledges that CSR policies may be useful tools for managers for consolidating organizational identity and standardizing organizational practices, activities that may be especially relevant for complex organizations. Our focus on the corporate governance incentives for CSR policy adoption contrasts with research on the "business case for CSR" that is primarily concerned with whether CSR ultimately generates company profits (Margolis & Walsh, 2003). Our framework and analyses, rather, highlight nonpecuniary benefits from CSR, such as a more unified organizational identity and a more tightly integrated company across different sub-unit, product, and national boundaries. While we recognize that better corporate governance may ultimately deliver financial returns, we are also aware that the linkages between policy formalization, implementation, and financial outcomes may be very difficult for researchers to trace and establish (Bromley & Powell, 2012). Moreover, to the extent that organizations use CSR policies to signal an overall organizational identity, we recognize that the forces at play may be more deeply cultural than financial (Scott, 1995).

Third, our findings suggest that managers, in deciding whether to extend CSR policies, should assess the particular types of boundary spanning that characterize their own organizations. For

companies spanning sub-units or products, managers may entertain policies that are specifically related to workers or consumers, respectively. For companies spanning nations, managers may consider adopting CSR policies across a range of issue areas. For managers of these organizations, a more omnibus approach to the formalization of CSR concerns into company policies may help to secure an international passport to a global domain in which CSR has increasingly become a core cultural principle (Aggerholm & Trapp, 2014; Vashchenko, 2017). In sum, our theory and findings suggest that CSR policy formalization is not a simple decision, but a contingent one in which managers should seek to align the structural characteristics of their organizations with CSR policies that address the implicated issue areas. This should enable managers to make prudent policy-forming decisions that address stakeholder concerns while not going beyond the social issues that are raised by their particular form of organizational complexity.

Limitations

Our study has several limitations. Although the GoodGuide database afforded a large corporate sample, it contained only major consumer goods companies. Findings for these companies, which include the majority of global household names, may not generalize well to other samples. The GoodGuide database also does not make longitudinal data publicly available with which to use additional statistical techniques to support causal inference. For this reason, we have been cautious with causal interpretation, and explicitly acknowledge here that the present findings would be stronger if confirmed by additional longitudinal, experimental, and qualitative research.

Another limitation concerns the validity of the GoodGuide data. As we noted earlier, few studies have used the GoodGuide data and only then to examine its use by consumers, not its actual CSR scores. While we found reassuring results when we correlated Goodguide's scores with those from well-known CSR evaluators, we recognize that there is still a large need for future researchers to perform an extended, dedicated, quantitative analysis of Goodguide's methodology that compares and contrasts it with the approaches taken by evaluators such as KLD Analytics, MSCI, and RobecoSAM. Future research could also make a more comprehensive use of the Goodguide database than we did in the present paper. Because our analytic focus was on policy extensiveness, we were forced to exclude measures of CSR that were not policy-related, for example, those that are related to the quality of corporate disclosures or the severity of corporate controversies. We recognize, however, that such measures may be of great interest to other researchers.

Our paper has been limited also in its ability to test the mechanisms that govern the observed relationships between our core constructs. We theorized that some of the mechanisms that link organizational boundary spanning to CSR policy extensiveness include the need to control business practices, to coalesce an organizational identity, and to signal to disparate geographic audiences an organizational commitment to location-independent norms. However, the nature of our dataset prevented us from isolating and adjudicating the relative strength of these mechanisms. While our dataset was advantageous in allowing us to distinguish three types of boundary spanning and five types of CSR policies, it did not afford direct observation of the

conceptual pathways that link these variables. Future research to tease out and pinpoint these mechanisms is needed.

Conclusion

While corporate social policies may or may not correspond with high quality CSR practices, their widespread adoption in recent decades indicates that CSR has become a ubiquitous and perhaps even taken-for-granted feature of the contemporary organization, instead of just an ad hoc or piecemeal reaction to calls for businesses to engage with social and environmental issues. This is a marked shift from previous decades when CSR and corporate social policies were seen as fringe behavior that subverted business' fundamental profit imperative. Offering partial but significant explanation for this broad shift, our paper linked the extensiveness of companies' CSR policies to their structural complexity in the form of boundary spanning across sub-units, products, and nations. To the extent that even more companies cross national borders, diversify their product portfolios, and oversee complex internal systems of sourcing and distribution, we would expect CSR policy formalization to increase in prevalence and to expand to cover more issue areas.

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Table 1
Variables in the Analysis

Variable	Source	Type	Description
Social policy			
All CSR policies	GoodGuide Inc.	Score	Percentage of all CSR policies adopted
Worker policies	GoodGuide Inc.	Score	Percentage of policies adopted categorizable as related to workers, e.g., job security policy, labor union policy, employee health policy, and freedom of association policy, whistleblower policy, internal ethics communication policy, and business ethics targets policy
Human rights policies	GoodGuide Inc.	Score	Percentage of policies adopted categorizable as related to human rights, e.g., oppressive regime policies, indigenous rights policies, and supply chain policies targeting indirect impacts on local communities
Consumer policies	GoodGuide Inc.	Score	Percentage of policies adopted categorizable as related to consumers, e.g., product quality policy, consumer health policy, product access policy, and product labelling policy
Environmental policies	GoodGuide Inc.	Score	Percentage of policies adopted categorizable as related to the natural environment, e.g., dematerialization policy, resource efficiency policy, biodiversity policy, and environmental management system policy
Supply chain policies	GoodGuide Inc	Score	Percentage of policies adopted categorizable as related to supply chains, e.g., having an environmental criteria for suppliers, having supply chain targets, and supplier diveristy initiatives
Boundary spanning			
Product spanning			
Business segments	Compustat; Orbis	Count	Business segments reported in annual financial statements (log)
Industry codes	Orbis	Count	Unique 2-digit SIC primary and secondary industry codes (log)
Trademarks	Orbis	Count	Registered trademarks (log)
Cross-industry M&A	Orbis	Count	Number of previous completed mergers and acquisitions across 2-digit SIC industries in the M&A database (log)
Sub-unit spanning			
Subsidiaries	Orbis	Count	Number of subsidiaries (log)
Corp. group members	Orbis	Count	Number of corporate group members (log)
Branches	Orbis	Count	Number of branches (log)
M&A deals	Orbis	Count	Total historical M&A deals listed as completed in Orbis database (log)
Strategic alliances	Capital IQ	Count	Alliances listed as recent in Capital IQ database (log)
Nation-state spanning			
Geographic segments	Compustat; Orbis	Count	Geographic segments broken out in annual financial statements (log)

Cross-country M&A	Orbis	Count	Mergers across headquarter countries in the Orbis database (log)
Countries w/ stock listings	Orbis	Count	Unique countries where stock is listed (log)
Assets foreign	Thomson One	Percent	Foreign assets divided by total assets
Sales foreign	Thomson One	Percent	Foreign sales divided by total sales

Controls

Industry CSR	CSR Hub, Asset4	Score	The average of the main CSR scores of CSRHub and Asset4 at the most granular level of SIC industry with available data for all companies in the respective databases in the most recent year, minus the focal company
Country CSR	CSR Hub, Asset4	Score	The average of the main CSR scores of CSRHub and Asset4 at the country level for all companies in the respective databases in the most recent year, minus the focal company
Business associations	Bus. association webpages	Count	The number of memberships in world and world-regional CSR associations, i.e., Global Compact, CSR Europe, CSR Asia, International Business Leaders Forum, World Economic Forum, World Business Council for Sustainability, Arabia CSR Forum, Business Action of Africa, and the Business for Social Responsibility (log)
Age	Capital IQ	Count	Years since initial public offering (log)

Size

Assets	Compustat; Orbis	Continuous	Year-end USD assets in millions (log)
Earnings	Compustat; Orbis	Continuous	Year-end USD earnings in millions (log)
Employees	Compustat; Orbis	Count	Employees (actual and reported estimates) (log)
Revenues	Compustat; Orbis	Continuous	Year-end USD revenues in millions (log)

Visibility

Wikipedia views	Stats.grok.se.com	Number	Total views globally of the main English company Wikipedia page (log)
Homepage traffic	Alexa Internet, Inc.	Rank	Worldwide corporate homepage traffic rank, divided by 1 mm and reverse coded
Marketing	Compustat; Thomson One; Capital IQ	Dollars	Annual marketing expenses (log)
Advertising	Compustat; Thomson One; Capital IQ	Dollars	Annual advertising expenses (log)
Branding awards	Various	Count	Appearances in the Top 100 positions in the most recent year of the lists mentioned in the notes of this table (log)

Capital-market exposure

Shareholders	Orbis	Count	Number of recorded shareholders (log)
Market capitalization	Compustat; Orbis	Count	Total outstanding shares multiplied by average share price over the year (log)
Stock analysts	Orbis	Count	The number of analysts who cover the stock (log)
Stock exchanges	Orbis	Count	Active stock exchange listings worldwide (log)

Slack resources

Current Assets	Compustat; Orbis	Continuous	Year-end USD cash and assets that are expected to converted to cash within one year in millions (log)
Debt / Equity	Compustat; Orbis	Ratio	Total debt divided by total equity

Note: GoodGuide, Wikipedia, and Alexa Internet were captured by a web scrape. Branding awards include World's Most Admired Cos. (Fortune); World's Most Reputable Cos. (Forbes); Best Global Brands (Brand Directory); Top 100 Global Brands (BrandZ); Best Global Brands (Interbrand); 100 Most Powerful Brands (Tenet Partners and Core Brand); Prestige Ranking the Brands Top 100 (Syncforce); The Future Brand Index Top 100 (Future Brand); Prestige 100 Facebook IQ (L2 Think Tank); World's Most Valuable Brands (Forbes); Top Global Marketers (Advertising Age). The human rights variable includes only supply chain policies that are specifically related to human rights. GoodGuide, for example, assigns policy scores for whether a company "Uses Human Rights Criteria to Select Suppliers" or whether "The Code of Conduct Applies to the Supply Chain." Similarly, the supply chain variable includes human rights policies only if those polices are related to supply chains.

Table 2. Descriptive Statistics and Collinearity Matrix

No.	μ	σ	Min.	Max.	Variable	1	2	3	4	5	6
1	0.47	0.22	0.00	0.96	All policies						
2	0.62	0.23	0.00	1.00	Worker policies	.86*					
3	0.33	0.26	0.00	1.00	Human rights policies	.79*	.66*				
4	0.46	0.24	0.00	1.00	Consumer policies	.76*	.58*	.49*			
5	0.65	0.40	0.00	1.00	Environment policies	.71*	.64*	.65*	.56*		
6	0.48	0.43	0.00	0.97	Suppy chain policies	.81*	.76*	.72*	.61*	.74*	
7	0.00	1.00	-3.36	4.48	Product spanning	.33*	.29*	.25*	.28*	.25*	.34*
8	0.00	1.00	-2.61	3.29	Sub-unit spanning	.49*	.47*	.33*	.36*	.34*	.45*
9	0.00	1.00	-3.32	3.39	Nation-state spanning	.33*	.31*	.32*	.13*	.28*	.33*
10	4.29	3.95	1.61	6.54	Age (log)	.20*	.14*	.21*	.23*	.24*	.19*
11	0.00	1.00	-3.25	2.52	Size	.33*	.28*	.21*	.29*	.26*	.29*
12	0.00	1.00	-7.12	4.87	Visibility	.42*	.37*	.29*	.45*	.31*	.52*
13	0.00	1.00	-2.21	1.94	Cap.-market exposure	.38*	.35*	.26*	.30*	.25*	.33*
14	0.23	0.62	0.00	6.00	CSR associations	.26*	.24*	.18*	.15*	.22*	.27*
15	0.00	1.00	-3.73	3.76	Industry CSR	.17*	.14*	.11*	.16*	.26*	.19*
16	0.00	1.00	-3.59	3.78	Country CSR	.23*	.20*	.25*	.08*	.23*	.22*
17	0.00	1.00	-2.30	3.21	Slack resources	.21*	.24*	.16*	.07*	.24*	.22*

Table 2. Collinearity Matrix Continued

No.	Variable	7	8	9	10	11	12	13	14	15	16
8	Sub-unit spaning	.53*									
9	Nation-state spanning	.32*	.36*								
10	Age	.24*	.22*	.14*							
11	Size	.39*	.66*	.31*	.23*						
12	Visibility	.56*	.51*	.59*	-.08	.65*					
13	Cap.-market embedd.	.44*	.55*	.42*	.05*	.66*	.69*				
14	CSR associations	.24*	.34*	.33*	.12*	.31*	.53*	.28*			
15	Industry CSR	.07*	.03	.08*	.09*	.07*	.08	.06*	.04*		
16	Country CSR	.07*	.14*	.38*	.10*	.00	.09	.12*	.15*	.02	
17	Slack resources	.20*	.32*	.23*	.10*	.45*	.28	.37*	.19*	.10*	.12*

Note: * $p < 0.05$; Boundary-spanning and control variables are coded to match their treatment in Table 3.

Table 3
OLS Regressions of Social Policy Scores on measures of Market Embeddedness, Integration, and Social Embeddedness

		Model 1 CSR policy score (avg.)	Model 2a Worker policy score (avg.)	Model 2b Human rights policy score (avg.)	Model 2c Consumer policy score (avg.)	Model 2d Environmental policy score (avg.)	Model 2e Supply chain policy score (avg.)
H1a, H1b	Sub-unit spanning	0.03	0.12**	0.01	-0.00	0.04	0.00
		(0.03)	(0.04	(0.03)	(0.03)	(0.03)	(0.03)
H2a, H2b	Product spanning	0.02	0.01	0.02	0.05*	-0.02	0.05*
		(0.02)	(0.02)	(0.02)	(0.02)	(0.03)	(0.02)
H3a, H3b	Nation spanning	0.16***	0.14***	0.18***	-0.00	0.18***	0.12***
		(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Industry CSR		0.14***	0.07***	0.08***	0.11***	0.21***	0.12***
		(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Country CSR		0.17***	0.13***	0.18***	0.08***	0.17***	0.16***
		(0.02)	(0.02)	(0.02)	(0.02)	(0.01)	(0.01)
CSR Business associations		0.09***	0.07***	0.12***	0.02	0.29***	0.52***
		(0.01)	(0.01)	(0.01)	(0.01)	(0.06)	(0.01)
Size		0.16**	0.05	0.21***	0.20***	0.22***	0.10*
		(0.05)	(0.04)	(0.05)	(0.05)	(0.05)	(0.04)
Visibility		0.23***	0.18***	0.10***	0.26***	0.17***	0.25***
		(0.03)	(0.02)	(0.02)	(0.03)	(0.03)	(0.03)
Age (log)		0.07*	-0.01	0.06***	0.06**	0.15***	0.04*
		(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Slack resources		0.04	0.15***	0.02	-0.01	-0.05*	0.04
		(0.03)	(0.03)	(0.03)	(0.02)	(0.03)	(0.03)
Capital-market exposure		-0.05	0.02	-0.08*	0.00	-0.09*	-0.05
		(0.03)	(0.04)	(0.04)	(0.04)	(0.04)	(0.03)
Constant		-0.40***	-0.38***	-0.34***	-0.37***	-0.34***	-0.38***
		(0.02)	(0.03)	(0.02)	(0.03)	(0.03)	(0.02)
N		2,724.00	2,724.00	2,724.00	2,724.00	2,724.00	2,724.00
R²		0.38	0.26	0.28	0.21	0.30	0.32
F-statistic		205.50***	95.01***	103.25***	71.27***	117.44***	117.65***

Note: * = $p < .05$; ** = $p < .01$; *** = $p < .001$. All coefficients standardized. Parenthetic robust standard errors.

Appendix A

Notes on composition of sample

By headquarter country using 3-digit ISO country codes (in descending order of number of sample companies):

USA (1078), JPN (322), GBR (234), CAN (161), AUS (117), FRA (79), DEU (59), CHE (57), BMU (45), SWE (41), ITA (39), ESP (31), SGP (31), HKG (31), NLD (26), IND (26), IRL (25), CHN (24), BEL (20), FIN (20), TWN (18), KOR (18), DNK (18), ZAF (17), BRA (15), CYM (15), NOR (15), MYS (12), GRC (12), MEX (10), AUT (9), JEY (9), NZL (8), PRT (8), TUR (7), RUS (7), LUX (6), CHL (6), ISR (6), THA (3), IDN (2), PAN (2), SAU (2), VGB (2), PHL (2), GGY (1), KWT (1), ARG (1), MUS (1), PAK (1), POL (1), CZE (1), PNG (1), CYP (1), BHS (1), MHL (1), EGY (1).

By the 10-sector divisions of the Standard Industrial Classification scheme, in descending order of percentage share:

Manufacturing (40%), Finance, Insurance, and Real Estate (18%), Transportation, Communications, Electric, Gas, and Sanitary Services (12%), Services (9%), Retail Trade (8%), Mining (7%), Wholesale Trade (2%), Construction (2%), Public Administration (1%), and Agriculture, Forestry, and Fishing (0%).

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