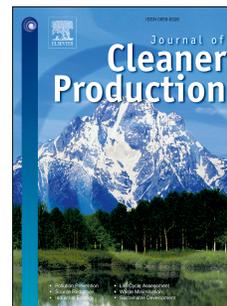# Accepted Manuscript

Assessing the outcome effectiveness of multi-stakeholder initiatives in the field of corporate social responsibility – The example of the united nations global compact

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ASSESSING THE OUTCOME EFFECTIVENESS OF MULTI-STAKEHOLDER INITIATIVES IN THE FIELD OF CORPORATE SOCIAL RESPONSIBILITY –

THE EXAMPLE OF THE UNITED NATIONS GLOBAL COMPACT

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ABSTRACT

This article proposes a new approach to the assessment of outcome effects of Multi-Stakeholder Initiatives in the field of Corporate Social Responsibility. Based on the conceptual distinction between output, outcome, and impact effectiveness, we develop a set of indicators that allows the differentiated assessment of outcome effects related to Multi-Stakeholder Initiatives. Furthermore, we apply this set of indicators in an empirical assessment of the UN Global Compact. Our empirical study utilizes a quantitative survey completed by members of the UN Global Compact Network Germany as well as qualitative interviews. Our results show a differentiated picture of the outcome effectiveness of the UN Global Compact, highlighting a paradoxical combination of strong outcomes on strategic

management levels together with significantly weaker enforcement outcomes, such as employee trainings or measurement of goal attainment.

Conflict of Interest: The authors declare that they have no conflict of interest.

All procedures performed in studies involving human participants were in accordance with the ethical standards of the institutional and/or national research committee and with the 1964 Helsinki declaration and its later amendments or comparable ethical standards.

Informed consent was obtained from all individual participants included in the study.

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Keywords: Outcome, Effectiveness, Multi-Stakeholder Initiatives, Corporate Social Responsibility, UN Global Compact

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1. INTRODUCTION

During the last century and over the course of the global reshaping of economic value creation, regulation for ethical business conduct has shifted from so-called state-led 'command and control' regulation in the 1960s and 70s to corporate self-regulation in the 80s and 90s to more recent forms of multi-stakeholder co-regulation in the field of Corporate Social Responsibility (CSR) (Utting, 2002).

The academic literature offers various terms for actor constellations associated with this most recent type of regulation, including Multi-Stakeholder Networks, Transnational Norm-Building Networks, or Global Public-Policy Networks (Gilbert & Rasche, 2012; Mückenberger & Jastram, 2010; Bäckstrand, 2006; Jastram & Kühn, 2014).

In these so-called new modes of governance, firms cooperate with NGOs as well as with governmental representatives, labor representatives, scientists, and other actors to encourage stakeholder dialogue and knowledge exchange, to set social and environmental standards, to monitor compliance, and/or to certify good business practice (Utting, 2002; Fransen & Kolk, 2007; Scherer & Palazzo, 2007; Rieth, 2009; Roloff, 2008; Jastram & Prescher, 2014).

In the management literature, the term Multi-Stakeholder Initiative (MSI) has been established and is most frequently used to describe governance networks in the field of CSR (Rasche et al., 2013; Utting, 2002; Fransen & Kolk, 2007). Rasche defines MSIs as collaborative forms of governance involving an array of stakeholders, which define, implement, and enforce rules that aim to foster responsible and sustainable behavior (2012).

Prominent examples of MSIs include the United Nations Global Compact (UN GC), the Global Reporting Initiative (GRI), ISO 26000, or the Accord on Fire and Building Safety in Bangladesh (Jastram & Schneider, 2015; Jastram & Prescher, 2014). In this context, the

term multi-stakeholder network refers to a constellation of actors belonging to more than one stakeholder group, often comprising three or more involved stakeholder groups.

Multi-Stakeholder Initiatives typically act in fields where state regulation alone is limited (O'Rouke, 2006; Mückenberger & Jastram, 2010), such as the field of Corporate Social Responsibility with many related social and environmental issues in international supply chains (Vogel, 2005). Accordingly, Gilbert and Rasche note that MSIs "reflect an opportunity to come up with a new form of global governance […] in a time where national boundaries become less relevant, economic and social problems globalize and corporations increasingly turn into political actors" (2012: 100). This new political role of corporate actors has gained much attention in the management literature, and scholars have been intensely discussing the impact of this new role, especially with regard to questions of legitimacy (Scherer et al., 2006; Scherer & Palazzo, 2007; Mückenberger & Jastram, 2010; Jastram & Prescher, 2014; Jastram, 2012).

This interest in (mostly input and throughput) legitimacy of MSIs is often related to an assumed relationship between legitimacy on the one hand and voluntary compliance or effectiveness of governance (output legitimacy) on the other (Jastram & Prescher, 2014). However, empirical research on the effectiveness and on impacts of various forms of private governance is still largely missing. This might be related to the lack of established conceptual models and empirical indicators required to conduct empirical research in this field (Baumann-Pauly & Scherer, 2013).

The collapse of Rana Plaza in 2013, the deadly fire in the Tazreen Factory in 2012, and other incidents around the world have triggered a new wave of skepticism about the effectiveness of CSR and many of its management instruments, especially with regard to the so-called ethical management of global supply chains (Labowitz & Baumann-Pauly, 2014; Jastram & Schneider, 2015, 2018; Baumann-Pauly & Jastram, forthcoming). NGOs such as

the Clean Clothes Campaign and Greenpeace as well as multilateral organizations like the International Labor Organisation keep informing the public about existing practices of socially unethical and/or nonecological economic value creation in the supply chains of many leading international brands (International Labor Organisation, 2013, 2014, 2015; Clean Clothes Campaign, 2014; Greenpeace, 2014; Knoll & Jastram, forthcoming).

This brings up the question of the role and effectiveness of MSIs in this context as their objective is to stimulate and to enable more ethical business behavior in the globalized economy. At the same time, there is no established assessment model yet, which can be used to analyze the effectiveness of MSIs.

Against this background, our first research question is: *How can the outcome effectiveness of Multi-Stakeholder Initiatives be assessed in an empirical way?*

We are addressing this question by relating it to an empirical case and by challenging one of the most established examples of a MSI - the United Nations Global Compact.

The UN GC is a principle-based initiative aimed at boosting social engagement of corporations to enforce sustainable and ethical business conduct in a globalized economy. Furthermore, it is a membership based initiative, comprising corporate members as well as NGOs, public sector organizations or academic institutions. Following the idea of cooperative learning and based on ten core ethical principles, the UN GC aims to motivate and strengthen corporate ethical conduct and CSR via an exchange of experiences and stakeholder dialogues (Ruggie, 2001; Brühl & Liese, 2004; Kell & Levin, 2003; Rasche & Waddock, 2014; Rasche, 2009; Post, 2013). It is a multi-level network of networks, comprised by a headquarter in New York and a number of national and regional networks promoting the ten principles at the national and local level (Mückenberger & Jastram, 2010). It offers several multi-stakeholder engagement mechanisms for mutual learning and dialogue including fora, summits, conferences, meetings, and workshops on the international, national and local level (Kell &

Levin 2003). Thematic multi-stakeholder policy dialogues serve as a learning tool, with the objective "to develop innovative solutions, based on a multi-stakeholder model of shared but diverse interests (...) and to culminate in concrete proposals for action" (Kell & Levin 2003:161). Kell & Levin further stress that the UN Global Compact "is a global amalgamation of strategic and wide public policy learning networks that cultivates integrative learning (...) through interorganizational interaction" (2003: 155).

Management research on MSIs has in the past been dominated by rather descriptive studies, examining and describing the goals, structure, operational rules, and modes of interaction of these rather new empirical phenomena. With regard to the UN Global Compact for instance, Rasche et al. (2013: 8) argue that the related empirical literature can be distinguished in "(a) research discussing the Global Compact in the historical context of UN-business relations, (b) research investigating the operational dimension of the initiative (e.g., the composition and impact of participants), and (c) research discussing the Global Compact in the context of the changing dynamics of multiactor and multilevel global governance".

The UN GC constitutes one of the most widely known and prominent Multi-Stakeholder Initiatives, its impact and effectiveness, however, have often been debated (Rasche, 2009; Baumann-Pauly & Scherer, 2013). This is related to the fact that clear conceptual guidance on how to empirically assess the effectiveness of MSIs in general and of the UN GC in particular has so far been lacking.

Against this background, our second research question is: *Are there outcome effects of the UN Global Compact on the corporate level which can be empirically assessed?*

We aim to contribute to the existing literature and to the CSR discourse in three ways: First, we introduce and build on the theoretical framework of outcome-, output- and impact-effectiveness which has so far received little attention in business research. The framework provides a highly valuable systematic differentiation for any empirical approach to

effectiveness analysis. Second, we further differentiate this framework by developing a set of indicators for one of its core elements, namely outcome effectiveness. Such a set of indicators is currently missing in the existing literature which is one of the reasons why MSI outcome related research is still underdeveloped. We believe that this conceptual differentiation and set of indicators will be highly useful for research focusing on outcomes of any type of governance, including business research as well as research in other disciplines such as political science. Third, we contribute empirical data on the outcome effectiveness of the UN Global Compact and thereby deepen the understanding, further develop, and differentiate the existing theory on MSIs.

The remainder of this article is divided into five parts. In the section immediately following, we will present the state of research relating to the effectiveness of MSIs and develop our set of indicators suitable for empirical research. Next, we will introduce the methodological approach of our empirical study. We will then discuss our results and close the paper with conclusions and reflections on future research avenues.

2. STATE OF RESEARCH AND SET OF INDICATORS

The starting point for the development of our set of outcome indicators is a concept originating in regime theory. From this perspective, effectiveness of governance can be differentiated into three dimensions characterized by different levels of analysis. These three dimensions are: *output, outcome*, and *impact* (Young, 2004; Underdal, 1992; Underdal & Young, 2004; Wolf, 2010).

Outputs are defined as *(self-)commitments* of actors as a result of a governance initiative. Such commitments could, for instance, be manifested in agreed-upon norms or standards like the GRI reporting standards or the ten principles of the UN Global Compact.

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Outcomes encompass concrete and measurable *behavioral changes* based on such commitments, and *impacts* describe a contribution to *problem solving* or goal attainment resulting from such behavioral changes (Wolf, 2010: 4). Wolf explains, that these dimensions are closely interrelated "and may even be regarded as parts of a causal chain" (2010: 4).

This analytical differentiation goes back to a fundamental contribution by Easton (1965) and is particularly helpful in the field of effectiveness analysis. It highlights different levels of effectiveness that encompass different sets of empirical indicators that each require different data collection methods and instruments.

In this paper, we will focus on the *outcome* dimension of effectiveness for several reasons: First, the outcome dimension has so far been much less comprehensively researched compared to the *output* dimension (Cetindamar & Husoy, 2007; Mückenberger & Jastram, 2010). Output-related data is comparatively easy to access via document and webpage analysis whereas outcome analysis requires access to less visible data related to management decisions and behavior. Accordingly, Wolf states that: "output […] is the one [dimension] which is the best manageable in scholarly terms, but perhaps also the least interesting in practical terms in that it offers a measure of success conditions rather than of success itself" (Wolf, 2010: 5). The impact dimension, in contrast, "is the most demanding in an analytical sense" (Wolf, 2010: 6; Underdal & Young 2004). It describes the overall problem-solving capacity of governance initiatives with regard to their general objectives and goals and can be measured on various levels and dimensions (Wolf, 2010: 4; Beisheim et al. 2007: 455; Underdal, 1992).

In our research, we concentrate on the outcome dimension because it is the primary requirement without which impacts cannot be realized. The outcome dimension builds the conditional bridge between outputs and impacts. It comprises managerial reactions to standards and principles formulated in order to reach positive social and environmental

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impact as a result of these managerial reactions. To put it differently, there can be no impacts of MSIs in the field of CSR without outcomes on the managerial level in the first place. This is why impacts cannot be related back to an MSI without initially analyzing the outcome dimension.

The existing literature defines outcomes as behavioral consequences of the output dimension. In other words, outcomes are measurable changes of behavior caused by a governance initiative such as a MSI. Related terms used in the literature include compliance or implementation (Wolf, 2010: 4; Beisheim, et al. 2007: 455; Young, 2002: 74; Easton, 1965: 351).

When assessing outcomes, it is important to stress the significance of actually assessing *changes* in behavior instead of only assessing behavior. The analysis needs to capture whether these changes have actually been caused by the MSI or if actions and policies had already existed before and/or may have been triggered by factors other than the MSI.

In order to develop a set of outcome indicators suitable for empirical research, we employed the following seven-step process: 1. We reviewed the literature for existing studies related to MSI outcome measurement; 2. As existing studies on outcome measurement are limited, we further reviewed the literature for additional studies that are less directly related to outcome assessment but could still be relevant for us, such as studies which discuss effectiveness and CSR more generally; 3. From all of the studies we found, we selected all categories which relate to the outcome dimension as defined above; 4. Next, we compared the categories identified in the previous step and grouped them based on similarity; 5. We then distilled the categories in each group by eliminating redundancies to derive a set of externally heterogeneous categories; 6. As research on MSI outcomes is currently in its childhood and empirical measurement is just starting, we added some further categories of interest where we believed that the categories which we found in the literature were incomplete. For example,

when the literature recommended to look for behavioural changes in certain management areas like communication and reporting, which are functions that CSR management is often related to, we added further management functions such as research and innovation management or financial management and investor relations to create a more holistic picture and to allow for more unexpected potential corporate behavioural changes related to MSI outputs; 7. As we rather found categories instead of indicators in the existing literature, we pursued a further step and constructed a set of indicators relating to the categories which we identified in the previous steps. In the following we describe the details of the process.

When looking for outcome measures and indicators with regard to MSIs (step 1), the literature provides few related studies. A study of the European Commission on "Policy References made by large EU Companies to Internationally Recognised CSR Guidelines and Principles" (European Commission, 2013) evaluates CSR guidelines and principles related to MSIs. Data is generated from company websites, annual or CSR/sustainability reports, business principles, or codes of conduct of 200 companies from ten different EU Member States. Hence, this study does not analyze behavioral changes on all management levels but focusses on MSI references in corporate communications.

Other studies employ rather indirect categories that are supposed to have positive influence on effective implementation such as monitoring or reporting (Beisheim et al. 2007; Wolf, 2010; Knox & Maklan, 2004; Bertelsmann-Stiftung, 2010; Arya & Salk, 2006).

Kaptein and Schwartz (2008) conducted a meta-analysis of 79 empirical studies that examine the effectiveness of corporate codes of ethics. They stress that, on the company level, code effectiveness is determined by corporate characteristics, corporate objectives, implementation and administration processes, as well as conduct and characteristics of management and employees. They further argue that the following categories increase the chance of effective code implementation: employee trainings, enforcement mechanisms, and

support by management for the code (Kaptein & Schwartz, 2008; Schwartz, 2001, 2004). Other studies refer to additional but similar categories such as stakeholder communication and auditing (Singh, 2011; KPMG, 2008).

Baumann-Pauly and Scherer (2013) distinguish between 1) commitment aspects (e.g., strategic integration or leadership support), 2) structural and procedural aspects (e.g., relevant human resource trainings, reporting, evaluation), and 3) interactive aspects (e.g., stakeholder cooperation). Their assessment of the UN Global Compact is a useful source of this paper. It demonstrates the need for empirical effectiveness research and offers some interesting categorizations and first empirical contributions. In their study, Baumann-Pauly and Scherer build on the notion of corporate citizenship (CC) (Matten & Crane, 2005); they focus on the organizational level and use the example of the UN Global Compact to assess the embeddedness of CC in organizational structures and procedures. Baumann-Pauly and Scherer assess five Swiss companies based on document analyses and qualitative interviews (Baumann-Pauly & Scherer, 2013).

We aim to build upon and complement this empirical study by adding empirical data collected from a larger sample in a different geographic setting and through additional methods of data collection (see section 3 for more details on our methodological design). The above named conceptual categories for assessing the UN Global Compact were a helpful resource for our own analytical approach.

To summarize the existing literature, it becomes clear that two types of outcome categories be found: a) categories that are associated with outcome effects *directly*, for instance related behavioural changes on various management levels, such as new ethical strategies, CSR activities, or improved ethical supply chain management, and b) categories that support outcome effectiveness *indirectly,* such as top management support, trainings, measuring, monitoring, evaluation, auditing, certification, and reporting. Depending on the

material nature of the outcomes (i.e. CSR standards), direct and indirect outcomes may overlap in cases where supporting processes and structures are part of a standard themselves, as in the case of ISO 26000, for example.

Based on this literature review and our seven-step process, we developed outcome indicators related to direct behavioral changes as well as to supportive structures and processes (see Table 1). When using the term indicators in this context, we are referring to Nowak (1977), who defined indicators as a "relatively easily observable phenomenon, feature or event, that, having established its occurrence or existence, we come to the conclusion that a phenomenon of interest to us has occurred" (132). Nowak distinguished between definitional indicators (definitory relationship between indicator and the phenomenon of interest, i.e. number of crimes committed per year (indicator) and crime rate (phenomenon of interest)) and empirical indicators (the factual relationship with phenomenon, to be empirically verified). Empirical indicators can be classified in observational empirical indicators (indicator and phenomenon are both observable) and inferential indicators (indicator is a symptom of the phenomenon and the phenomenon is not directly observable, i.e. a person is blushing and we assume that he/she is ashamed). In the later case, the occurrence of a phenomenon cannot be confirmed by direct observation.

To empirically assess MSIs we developed empirical indicators for the conceptual categories which we found in the literature or added ourselves (see Table 1). In our research context, a general definitional indicator would be 'behavioral changes' relating to the phenomenon 'outcomes' because, as described above, outcomes are defined by the existence of behavioral changes. The category 'MSI related employee trainings' can be indicated by the statement or judgement of our interview partners (CSR managers) that 'employee trainings are/ were executed relating to this particular instrument or initiative' (MSI) in their firm (observational empirical indicator). An example of an inferential indicator would be the

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statement of an interviewee that 'top management is supporting the instrument/ initiative' relating to the not directly observable category 'MSI related top management support'.

As outcomes are a complex phenomenon one indicator alone is not sufficient to capture it. We, therefore, developed a set of indicators which as a group, so we argue, can give an indication for the existence of MSI outcome effects on the managerial level. Furthermore, the set of indicators helps to differentiate outcomes and is able to show variance on different management levels and in different functions.

Insert Table 1 about here
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3. METHODOLOGY

Motivated by our research interest to analyze UN GC related outcome effects at the management level, we pursued a mixed-method approach combining qualitative and quantitative methodological elements that supplement the other (Kaptein & Schwartz, 2008).

Our analysis was guided by theoretically developed indicators, as described in section 2. Similar to other studies (Baumann-Pauly & Scherer, 2013), we did not define a priori hypotheses in order to maintain a degree of openness and flexibility as we perceive our research and effectiveness assessment as overall exploratory in nature (Yin, 2003).

Our empirical study was conducted in collaboration with the Global Compact Network Germany (UN GC NG) in May and June 2013. The DGCN is part of the transnational multi-level network of the United Nations Global Compact, which is a strategic policy initiative for businesses that has been launched in 2000 and is coordinated by the UN in New York and via decentralized national networks (Rieth, 2009; Kell & Levin, 2003;

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Jastram, 2010b).

The UN Global Compact has more than 12,000 participants in 170 countries. It has frequently been used as an in-depth case study, because it is one of the most prominent and active Multi-Stakeholder Initiatives in the field of Corporate Social Responsibility (theoretical sampling) (Rasche et al. 2013; UN GC, 2015). Its large number of participants and additional partner organizations offer a rich source of empirical data that can be analyzed in much depth, from various angles, and with several methodologies depending on the focus of analysis.

We concentrated our analysis on the Global Compact Network Germany, because a sample out of a single legislative, political, and social context excludes potential national influences on company commitments (Baumann-Pauly & Scherer, 2013). At the same time, the German industry is very influential in the global marketplace, which is why results generated from this sample will be of interest for the international debate about the effectiveness of Multi-Stakeholder Initiatives like the UN Global Compact.

Our data collection was implemented through a quantitative online survey and subsequent qualitative expert interviews. The quantitative online survey was conducted in May 2013. It was sent to all registered corporate participants of the UN Global Compact Network Germany. Recipients of the survey were all persons named on the UN GC NG's E-mail list of all member of the network at that time (N=274). They were in most cases CSR managers or managers with a similar title, responsible for the firm's participation in the UN GC NG. Like in the case of the UN GC, the UN GC NG comprises firms of all industries, ranging from DAX enterprises and SMEs to very small specialist companies. In the distribution of the survey nine e-mails were undeliverable or generated out-of-office replies, and 265 e-mails were successfully delivered. We received 49 responses, which generates a response rate of 18.49% (see Table 2 for sectoral representation of respondents and Table 3 for firm sizes).

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Insert Tables 2 and 3 about here
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Directly relating to our set of indicators developed above (Table 1), we constructed questions for our online survey (see Appendix 1). Participants were asked to make a yes/no decision with regard to each of the questions. As our questions were part of a larger survey of the UN GC NG, we grouped the questions in two table formats to be completed more easily than 21 separately formatted questions. Furthermore, we could not obtain more fine-grained responses (i.e. on a Likert scale from 1 to 7), which would have been preferable from an analytical perspective, because the survey length needed to be limited not to risk drop-outs. To analyze the outcomes as assessed by each indicator, absolute and relative frequencies (percentages) of yes responses for each question were calculated, and 95% confidence intervals were computed for the percentage values.

In order to address some of the limitations of quantitative research (i.e. no flexibility or interaction during the data collection process), we conducted 17 additional qualitative, semi-structured expert interviews with all participants that agreed at the end of the online survey to also participate in additional qualitative interviews (see Table 4 for sectoral representation of the interviewees). Qualitative interviews are more open and flexible but their results are less representative than quantitative surveys. We therefore combined the two research approaches to benefit from the strength of each approach and to gain complementary and enriched research results.

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All interviews took place in June 2013 and lasted 30 minutes on average. The interviews were conducted in an open and flexible way to deepen and evaluate our

understanding and interpretations of the results of the quantitative survey. Following qualitative research paradigms (Glaser & Strauss, 1967), we only formulated very few guiding questions for our interview script to allow for new insights and unexpected results in addition to the more determined results of the online survey. We asked for strategic reasons behind the application of the UN Global Compact as well as for evidence and determinants of its effectiveness. Initial questions were: How do you apply the UN GC in your firm? Why do you apply it in a specific area? Why do you apply it in area x and not in area y? Do you also apply the UN GC in area z? When asking these questions, we again referred to the categories of our assessment model. Depending on the answers of our interviewees single topics and questions were further inquired and deepened by asking for examples or further illustrations.

All interviews were transcribed and analyzed by at least two persons using a code-based systematic content analysis. When coding the interviews, we were particularly guided by analytical puzzles and open questions that resulted from our online questionnaire, e.g., why is the UN GC applied in certain management areas and not in others? Furthermore, we looked for evidence and concrete examples related to the corporate answers in our survey. We thereby aimed to create a better understanding and deeper meaning and to strengthen our results through combining qualitative and quantitative data.

The following section details the findings of our analysis.

4. RESULTS AND DISCUSSION

In this section, we will present and discuss the results of our online survey as well as the insights from our qualitative interviews. Where the findings of the online survey were surprising to us, we asked for explanations in the qualitative interviews. We will therefore present the findings of the survey together with the results from the interviews where the

latter provided additional information or illustrations. We will show the results of our two groups of questions each by discussing strong outcome effects first and weaker effects afterwards. We further discuss the interrelationship of the findings relating to the different categories and indicators.

Table 5 shows the results of the first set of questions in our quantitative survey. Participants were asked in which management functions and areas they applied the UN Global Compact. Multiple answers were allowed.

Insert Table 5 about here

The results indicate that the UN GC is applied in all of the management areas that were assessed in the survey (all lower bounds of the 95% confidence intervals are above zero). It is mostly applied on the strategic level in order to develop a code of conduct (84.1%), to define basic values (80.4%), or to develop strategic objectives (75.0%). The UN GC furthermore is strongly related to reporting (60.0%) and corporate communications and reputation management (75.0%). These results are not surprising given that the UN GC has frequently been referred to as a strategic policy initiative (Waddel, 2011) with communication and reporting as the UN GC's core engagement meachanisms.

The fact that 73.8% of the respondents use the UN GC as a supply chain management related tool was more surprising, so we conducted qualitative interviews for more detailed explanations and descriptions of related management activities. One interviewee explained that the UN Global Compact is referred to in supplier contracts in order to create legal security (Interview No 3): *"Once we notice, that someone is trying to […] do something […] against the ten principles […] we have legal security, which allows us to terminate the*

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contract or the business. […] So not just glossy advertising brochures but facts, right? So, if I notice that someone is really not compliant and we say, 'we are not doing any further business with you, this [is] unethical and we are not doing this'. Therefore, you need to create legal security. And that's what we do. […] We tell our business partners very clearly that we are committed to these ten principles and that they are the fundament of any business" (translation by the authors). Another interviewee added: *"we address certain aspects or elements [of the UN GC] in our yearly supplier dialogues, such as child labor, environmental protection, human rights etc."* (Interview No 4, translation by the authors).

It becomes clear that, with regard to outcomes on the management level, the UN GC is not only applied as a tool for strategy development or reputation management but also to communicate fundamental ethical standards to suppliers. Almost three-quarters of our survey respondents confirmed these managerial effects of the UN GC, including its application as a reference and legal security instrument as well as for supplier dialogues.

Our results further show that the UN GC is less frequently used for risk management (31.6 %), financial management (18.9%), or controlling (15.8%). These results are, again, less surprising considering the overall design of the UN GC as a learning platform comprising rather generally formulated fundamental standards of ethical business conduct. Such broad standards are less useful in controlling or financial management if they do not include more concrete key performance indicators. Interestingly, only 50% of the respondents see the UN GC as an instrument for lobbying/government relations even though this MSI has been initiated by the former Secretary General of the United Nations and is still coordinated from their headquarter in New York.

At this point, our results show, that the UN GC has outcomes mainly on strategic management levels and on the supply chain management level.

Another set of survey questions asked participants to indicate which of the statements summarized in Table 6 apply to the UN GC. Again, multiple answers were allowed.

Insert Table 6 about here

As Table 6 shows, participants confirmed the application of all eight statements to the UN GC to varying degrees (here, too, none of the 95% confidence intervals included zero). An outstanding number of 95.9% of survey participants agreed that the UN CG is supported by their top management. This exceptionally high percentage is likely related to the fact that companies aiming to join the UN GC have to prepare a letter of commitment signed by their chief executive expressing commitment to the UN Global Compact and to take action in support of UN goals.

In accordance with Table 5, 77.6% of the participants see the UN GC as an important instrument for managing supplier relationships, and 71.4% refer to the UN GC in supplier contracts.

The third statement of Table 6 refers to behavioral change, which, as mentioned above, is an important indicator for outcome effects and is confirmed for the UN GC by 75.0% of survey participants. It is clear and part of the theoretical concept introduced above that a MSI, which aims to stimulate more ethical business conduct, cannot be called effective if its output does not lead to behavioral changes on the corporate management levels of its addressees. We therefore asked for confirmation of this quantitative finding in the qualitative interviews.

In contrast to the impression provided by the quantitative study, some of our qualitative interview partners explained, that the UN GC did not necessarily lead to behavioral changes within their firm, because their firms had already been active in the field of business ethics or Corporate Social Responsibility before joining the Global Compact. One

interviewee argued: *"It's not like that the company starts at zero, like oh we don't have anything relating to these principles. That's impossible. Every company has its historically grown culture with certain strengths and weaknesses"* (Interview No 7, translation by the authors). Thus, even though almost three quarters of respondents confirmed behavioral changes as a result of being a UN GC member, our qualitative interviews showed that this does not imply that those firms were not engaging in CSR before. Rather, the UN GC led to changes by providing orientation and framing existing CSR activities instead of initiating new ones (Interview No 1; Interview No 3; Interview No 4, Interview No 6, Interview No 8).

One interviewee explained why behavioral changes are not always easy to gain: *"those [CSR] standards are very good. However, it always requires new firm specific processes, which need to be found and developed. The time, resources, and manpower available to implement these processes are often very limited"* (Interview No 6, translation by the authors).

Interviewee No 1, however, acknowledges that his/her firm might act more proactively in those fields of activity after joining the UN GC. The interviewee said: *"since being a member of the UN Global Compact, we have [...] not been implementing any real measures. Everything is happening on the strategic level and we are still thinking about how we can, for instance, implement a human rights or labor rights related policy. [..]. But on the conceptual level, things have improved much and there are more ideas about what we can do to proactively implement the principles and to become more sustainable"* (Interview No 1, translation by the authors).

In light of this reconfirmation that the UN GC is strongly used on strategic management levels, it is surprising that only about half of the participants (49.0%) indicated that the achievement of the UN GCs core objectives are measured in their organization. This raises the question of how serious the strategic approaches of the other half of UN GC

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members are, if they do not involve the measurement of goal achievement. Furthermore, only 40.8% of the organizations have implemented employee trainings related to the UN Global Compact. This result is particularly remarkable considering the strong top management support associated with the UN GC, according to survey participants. If top management support of the UN GC does not involve related employee trainings, the actual leadership commitment and effectiveness must be doubted. However, as one interviewee explained, there might be employee communication that has indirectly been influenced by instruments such as the UN GC: *"what we do is, we communicate our strategy and our goals, which are partly based on these instruments [...], and we discuss these goals in workshops [...] and also what kinds of instruments we need to bring these goals to life [...]"* (Interview No 11, translation by the authors). Thus, there might be limited business practice specific to UN GC related trainings, but a more indirect effect of the UN GC on employee communication and trainings in some cases.

Another outcome indicator covered audits and certificates, and our results show that achievement of the UN GCs core social, economic, and ecological objectives is audited or certified by external actors in 23.4% of the represented corporations. This result is interesting as the UN GC is not an instrument designed for certification or audits. One interviewee explained: "*The Global Compact is the macro norm. Below [this norm], each corporation has to find their own specific strategy to implement sustainability [...]. Then you reach the level of implementation and processes. And on that level, [...] we use further instruments like our integrated management system. These are certified. We have a certified environmental management system, [...] a certified safety system, quality management and [...] energy management. In these areas we have indicators and targets, which we have to meet with specific measures otherwise we will not receive a certificate. So it's like a cascade*" (Interview No 2, translation by the authors). In other words, even though it is not possible to

certify the UN Global Compact, firm performance and management systems are in some cases still being certified in areas relating to the UN GC core principles.

The next section will present our conclusions relating to these results.

5. CONCLUSIONS

The aim of this paper was first to introduce empirical indicators for assessing the outcome effectiveness of Multi-Stakeholder Initiatives. By developing and presenting conceptual categories as well as empirical indicators we aim to suggest an answer to our first research question: *How can the outcome effectiveness of Multi-Stakeholder Initiatives be assessed in an empirical way?*

As such outcome indicators were missing so far in the existing literature, our contribution will allow more differentiated assessments of MSIs in the future. Moreover, it will support and enable the evaluation of other forms of governance and may therefore be applied across inter- and transdisciplinary fields.

 Second, we aimed to demonstrate the application of our set of indicators to the example of a specific MSI, the UN Global Compact. We did this to assess the outcome effectiveness of the UN GC as well as to demonstrate the differentiated picture of effectiveness that our set of indicators can draw.

To our knowledge, our study is the first one that applies the conceptual differentiation of the term effectiveness (outputs, outcomes and impacts) to the field of business studies and provides outcome indicators suitable for the assessment of MSIs. In addition, we demonstrate diversified outcome effects of the UN GC in different corporate management functions, which to our knowledge has also not previously been accomplished.

Our findings are based on a sample of 18,49% of the German members of the UN GC. Results show that most firms apply the UN GC on the strategic management level, and in almost every case, the UN GC is supported by top management. These results confirm other analyses that describe the UN GC as a strategic management initiative (i.e. Waddel, 2011). Our findings, however, go deeper and draw a more differentiated picture of the managerial adaptation of the UN GC.

We found that firms mostly use the ten principles of the UN GC to define basic values, to develop corporate codes of conduct, and to develop strategic objectives. They further apply it as part of communication, reputation management, and in supply chain management. Our results further show the large impact that the UN GC has on supplier contracts, especially with the goal of creating legal security for buyer firms.

The UN GC has fewer or more indirect effects in areas such as corporate risk management, financial management, controlling, certification, and auditing. Furthermore, our study shows that while most firms confirm the strategic nature of the application of the UN GC, only half of them measure related goal achievement or have implemented directly related employee trainings. These are paradoxical results as a serious strategic business integration of the principles of the UN GC would imply the measurement of strategic achievements as well as the utilization of trainings. If a strategy is not linked to the measurement of goal achievement, it remains unclear whether the strategy is successful or if it needs to be adapted. If the strategic business adoption of the UN GC's core principles does not imply directly related employee trainings, the implementation of the principles will be less effective.

Regarding one of the most fundamental criteria for outcome effects, our study confirmed corporate behavioral changes for 75% of the UN GC members. This generally very positive result was hampered by some qualitative interviews, which revealed that some firms had already existing social and environmental programs in place before joining the UN GC.

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Behavioral changes were, in some cases, rather related to new forms of structuring or communicating existing initiatives rather than the implementation of new ethical standards.

To answer our second research question (*are there outcome effects of the UN Global Compact on the corporate level which can be empirically assessed),* we can thus conclude that, yes, based on our assessment we find interesting and differentiated outcome effects of the UN GC on the corporate management level. Our study confirms the UN GC as a strategic policy initiative with primary corresponding outcome effects on the strategic management level. However, outcome effects on the strategic management level should be accompanied with equally strong measures regarding employee trainings and strategic monitoring. The UN GC outcomes assessed here show clear weaknesses in that regard.

Strong outcome effectiveness depends on the serious commitment of business actors, top management in particular, and must involve not only external communicative efforts but also strong and strategic leadership inside the organizations involving the strategic measurement of goal attainment and effective employee trainings.

Our contribution of MSI outcome indicators will enable and support a more differentiated debate about the effectiveness of MSIs in the field of CSR as well as corresponding governance implications. Reaching strategic decision-makers is certainly an important goal, but serious implementation management and best practice examples are equally important and should be considered more by MSI initiators and operators in the future. If outcome effects are limited or contradictory, the chances for strong impacts (problem solving capacity of MSIs) in the field of CSR or in other governance areas are limited.

With regards to future research avenues, it would be highly interesting to apply the assessment model developed in this article to other MSIs and to conduct comparative research on their outcome effectiveness. It would furthermore be beneficial to use questionnaires

employing Likert scales to allow for a more fine-grained assessment on the strengths of outcome effects on different management levels for instance.

Our empirical sample covered participants of the UN Global Compact Network Germany as we preferred this single country focus to prevent the influence of different cultural and institutional factors. Yet, regarding future research on MSI effectiveness, it would be interesting to add additional countries' perspectives and to compare results from other cultural and institutional contexts. It would, furthermore, be interesting to compare our results to future, larger outcome surveys as there might be a positive self-selection bias in our sample of 49 UN GC GN members. If possible, higher response rates and obtaining data from larger parts of corporate UN GC members would be beneficial in this regard.

Finally, the impact dimension of effectiveness will be an important component of future research endeavors as it is the core problem-solving aspect of effectiveness. Since impacts are difficult to measure, systematically derived concepts and empirical indicators for impact measurement are currently most needed to enable further research in this field.

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Table 1: Outcome Categories and Related Indicators

Category	Indicators
MSI related top management support	The top management is supporting the instrument/ initiative
MSI related changes in corporate processes and behavior	The instrument/ initiative contributed to changes in corporate processes and behavior
MSI related strategic objectives	The instrument/initiative is/ was applied during the definition of strategic objectives

MSI related code of conduct	The instrument/initiative is/ was applied during the development of a code of conduct The instrument/initiative is/ was applied during the definition of basic values
MSI related CSR activities and projects	The instrument/initiative is/ was applied during the development of concrete CSR activities
MSI related supply chain management	The instrument/initiative is/ was applied during procurement/ supply chain management This instrument/ initiative is important for the management of supplier relationships Supplier contracts refer to this particular instrument/ initiative
MSI related measurement (i.e. by means of key performance indicators)	The achievement of the instrument's/ initiative's core social, economic, and ecological objectives is measured (i.e. by means of key performance indicators)
MSI related communication	The instrument/ initiative is/ was applied in corporate communication/ reputation management
MSI related reporting	The instrument/initiative is/was applied during reporting The corporation's sustainability reporting considers the requirements of this particular instrument/ initiative
MSI related employee trainings	Employee trainings are/ were executed relating to this particular instrument/ initiative
MSI related lobbying/government relations	The instrument/initiative is/was applied during lobbying/ government relations
MSI related stakeholder dialogues	The instrument/ initiative is/ was applied during the planning and implementation of stakeholder dialogues
MSI related risk management	The instrument/ initiative is/ was applied during risk management
MSI related research and innovation management	The instrument/ initiative is/ was applied during research and innovation
MSI related financial management/investor relations	The instrument/initiative is/ was applied during financial management/ investor relations
MSI related controlling	The instrument/ initiative is/ was applied during controlling
MSI related auditing or certification by external actors	The achievement of the instrument / initiative's core social, economic and ecological objectives is audited or certified by external actors

Table 2: Sectorial Representation of Survey Respondents

	Absolute Frequency	Relative Frequency
Electrical and Mechanical Engineering	10	20.4%
Chemical and Pharmaceutical	6	12.2%
Automotive	5	10.2%
Trading	5	10.2%
Energy Supply	3	6.1%
Textile and Clothing	3	6.1%
Construction	2	4.1%
Tourism and Transport / Logistics	2	4.1%
Scientific and Technical Services	2	4.1%
Printing	2	4.1%
Banking and Insurance	1	2.0%
Agriculture and Forestry, Fishing	1	2.0%
Media and Information Services	1	2.0%
Food	1	2.0%
Heating	1	2.0%
Services	1	2.0%
Telecommunications	1	2.0%
Trade Fair and Congress	1	2.0%
Renewable Energies	1	2.0%

N = 49

Table 3: Firm Size of Survey Respondents

	Absolute Frequency	Relative Frequency
< 10 Employees	1	2,0%
10- 500 Employees	15	30,6%
501- 1000 Employees	4	8,2%
1001- 10.000 Employees	12	24,5%
10.001- 50.000 Employees	10	20,4%
> 50.000 Employees	7	14,3%

N = 49

Table 4: Sectorial Representation of Interviewed Experts

	Absolute Frequency	Relative Frequency
Electrical and Mechanical Engineering	5	29.4%
Chemical and Pharmaceutical	2	11.8%

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	n	Absolute Frequency	Relative Frequency (95% CI)
Automotive	1		5.9%
Trading	1		5.9%
Energy Supply	1		5.9%
Construction	1		5.9%
Tourism and Transport / Logistics	1		5.9%
Banking and Insurance	1		5.9%
Agriculture and Forestry, Fishing	1		5.9%
Food	1		5.9%
Heating	1		5.9%
Renewable Energies	1		5.9%

N = 17

Table 5: *Outcomes Group I (The instrument/initiative was applied during ...)*

	n	Absolute Frequency	Relative Frequency (95% CI)
Development of a code of conduct	44	37	**84.1%** (73,3%-94,9%)
Definition of basic values	46	37	**80.4%** (69,0%-91.9%)
Development of strategic objectives	44	33	**75.0%** (62.2%–87.8%)
Corporate communication / reputation management	44	33	**75.0%** (62,2%-87,8%)
Procurement/ supply chain management	42	31	**73.8%** (60,5%-87,1%)
Development of concrete CSR activities	43	28	**65.1%** (50.9%-79,4%)
Reporting	45	27	**60.0%** (45,7%-74,3%)
Lobbying/ government relations	38	19	**50.0%** (34,1%-65,9%)
Planning and implementation of stakeholder dialogues	35	14	**40.0%** (23,8%-56,2%)
Risk management	38	12	**31.6%** (16,8%-46,4%)
Research and innovation	38	10	**26.3%** (12,3%-40,3%)
Financial management/investor relations	37	7	**18.9%** (6,3%-31,5%)
Controlling	38	6	**15.8%** (4,2%-27,4%)

Q: What for do you apply to the UN Global Compact concretely in your firm? (Multiple answers allowed)
N = 49 = total number of survey participants
n = number of participants that replied to the question

Table 6: *Outcomes Group II*

	n	Absolute Frequency	Relative Frequency (95% CI)
The top management is supporting the instrument / initiative	49	47	**95,9%** (90,4%-101,5%)
This instrument/ initiative is important for the management of supplier relationships	49	38	**77,6%** (65,9%-89,2%)
The instrument/ initiative contributed to changes in corporate processes and	48	36	**75.0%** (62.2%–87.8%)

behavior

The corporation's sustainability reporting considers the requirements of this particular instrument/ initiative	49	35	**71.4%** (58,8%-84,1%)
Supplier contracts refer to this particular instrument/ initiative	49	35	**71.4%** (58,8%-84,1%)
The achievement of the instrument's/ initiative's core social, economic, and ecological objectives is measured (i.e. by means of key performance indicators)	49	24	**49.0%** (35,0%-63,0%)
Employee trainings are executed relating to this particular instrument/ initiative	49	20	**40,8%** (27,1%-54,6%)
The achievement of the instruments'/ initiative's core social, economic and ecological objectives is audited or certified by external actors	47	11	**23,4%** (11,3%-35,5%)

Q: Which statements apply for the UN Global Compact? (Multiple answers allowed)

N = 49 = total number of survey participants

n = number of participants that replied to the question

Appendix 1: Online Survey Questions (translated from German into English by the authors)

Note: The survey questions analyzed in this paper were part of a larger questionnaire addressing different topics in one survey among UN GC GN members.

What for do you apply to the UN Global Compact concretely in your firm? *(Multiple answers allowed)*

Development of a code of conduct	
Definition of basic values	
Development of strategic objectives	
Corporate communication/ reputation management	
Procurement/ supply chain management	
Development of concrete CSR activities	
Reporting	
Lobbying/government relations	
Planning and implementation of stakeholder dialogues	
Risk management	
Research and innovation	
Financial management/ investor relations	
Controlling	

Which statements apply to the UN Global Compact? *(Multiple answers allowed)*

The top management is supporting the instrument/ initiative	
This instrument/ initiative is important for the management of supplier relationships	
The instrument/ initiative contributed to changes in corporate processes and behavior	

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The corporation's sustainability reporting considers the requirements of this particular instrument/ initiative	
Supplier contracts refer to this particular instrument/ initiative	
The achievement of the instrument's/ initiative's core social, economic, and ecological objectives is measured (i.e. by means of key performance indicators)	
Employee trainings are executed relating to this particular instrument/ initiative	
The achievement of the instruments'/ initiative's core social, economic and ecological objectives is audited or certified by external actors	

Please indicate the sector in which your firm is operating. *(one answer allowed)*

Electrical and Mechanical Engineering	
Chemical and Pharmaceutical	
Automotive	
Trading	
Energy Supply	
Textile and Clothing	
Construction	
Tourism and Transport / Logistics	
Scientific and Technical Services	
Printing	
Banking and Insurance	
Agriculture and Forestry, Fishing	
Media and Information Services	
Food	
Heating	
Services	
Telecommunications	
Trade Fair and Congress	
Renewable Energies	

Please indicate the size of your firm. *(one answer allowed)*

< 10 Employees	
10- 500 Employees	
501- 1000 Employees	
1001- 10.000 Employees	
10.001- 50.000 Employees	
> 50.000 Employees	

Would you be willing to participate in a personal expert interview following up this survey? *(one answer allowed)*

No	
Yes, please contact me using the following E-Mail address:	

Would you be willing to participate in a personal expert interview following up this survey? *(one answer allowed)*