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The rise of the Global Reporting Initiative: a case of institutional entrepreneurship

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Since its conception in 1999, the Global Reporting Initiative (GRI) has become a leading template for voluntary sustainability reporting by companies. Emerging on the crest of the debate about corporate social responsibility, appropriate roles for business, government, and civil society in the sustainability transition, and private forms of global governance, it is also a descendant of 1970s social movements. Drawing on extensive empirical data collected through interviews and documentary analysis in four countries, the institutional entrepreneurship framework is used to analyse three types of tactics deployed by GRI champions: discursive, material and charismatic. Central to GRI entrepreneurs' success was maintaining balance between the individual and collective interests of their diverse constituencies, between inclusiveness and efficient pursuit of technical objectives, and between building a new institution and not challenging existing institutions and power relations. This strategy, though perhaps appropriate under the circumstances, left a legacy of unresolved tensions. How these are resolved will determine GRI's future shape and function.

Keywords: GRI; sustainability reporting; CSR; institutional entrepreneurship; information disclosure

Introduction

Reporting on sustainability performance has rapidly diffused among companies during the past decade (White 1999, Zadek 2001, Accountability 2004, Kolk 2004, 2005, 2006, 2008, The Economist 2004, Waddock 2004). Global Reporting Initiative (GRI) is arguably the best known set of guidelines for producing such reports worldwide (http://www.globalreporting.org). Conceived for the first time in 1997 by two innovative people connected with two NGOs (Non-governmental Organisation) in Boston, USA – Allen White of Tellus Institute and Robert Massie of Ceres – GRI's international visibility

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rose remarkably quickly. The 2006 and 2008 annual GRI meetings in Amsterdam featured royalty, well-known politicians, corporate CEOs and high-level members of multilateral institutions among over 1000 representatives of global business, investment capital, civil society organisations, and professions. Their collective message was that sustainability reporting has become an established norm of behaviour of socially responsible businesses, and that GRI defines a global benchmark on how such reporting should be structured and judged.

How could such a rapid uptake of an idea and a set of norms have come about through the efforts of relatively unknown institutional entrepreneurs with limited resources and political clout? What were the origins of their vision? What strategies and framings of ideas did they apply? What can we learn from this story about creating new global institutions that depend on broad multi-stakeholder consultation? To address these questions, we examine the historical roots of GRI and we turn to the concept of 'institutional entrepreneurship' to analyse its recent history.

We find that the GRI idea emerged from a confluence of the consumer, investor and shareholder activism in the US dating back to the 1970s; and several developments in environmental and sustainability politics during the 1990s, including the increasing prominence of the notions of corporate social responsibility, civil regulation and private governance. Each development appealed to different groups of societal actors, but together they had sufficient coherence to mobilise many of them around GRI. Central to the GRI entrepreneurs' success was maintaining a balance between the individual and collective interests of their diverse constituencies, between inclusiveness and efficient pursuit of technical objectives, and between building a new institution and not challenging the existing institutions and power relations. To achieve this precarious balance the founders made several tradeoffs. While this strategy was perhaps the most appropriate under the circumstances, it also left a legacy of unresolved tensions. The resolution of these tensions will determine GRI's future shape and social function.

The data for this analysis have been collected by way of extensive documentary analysis in the GRI archives as well as open literature, observations at annual GRI conferences, and semi-structured open-ended interviews with individuals who participated in the development of the Global Reporting Initiative and who currently use it or have opinions about its functioning. This included: two GRI co-founders; three former members of GRI's first Steering Committee; two former members of Ceres Board of Directors; and representatives of 14 companies, 14 civil society organisations and international NGOs, one US-organised labour organisation, eight investment organisations and investment research organisations, three international consultancies, and one from US Environmental Protection Agency (EPA); in the US, UK, the Netherlands and France (for names and other details, see Brown *et al.* 2007). We used these materials to reconstruct the events leading to the emergence of GRI, and to elicit the views of the key participants on the history of reporting as well as the history and current status of GRI.

This article proceeds as follows. The next section briefly documents the rise of GRI in the past decade; in section three the main theoretical notions of institutional entrepreneurship are presented allowing for a focused reading of our empirical findings; section four describes the main intellectual and institutional breeding ground for GRI's uptake worldwide, with emphasis on the US; the following two sections analyse the factors influencing GRI's emergence, growth and institutionalisation and the strategy and tactics deployed by GRI's entrepreneurs. The concluding section gives an outlook of the current institutional position of GRI and, in light of the strategy and tactics chosen by the institutional entrepreneurs, its future prospects as a global institution.

The rise of GRI

Figure 1 summarises the major events since 1997 (see also Brown *et al.* 2007, Dingwerth 2007). The process started with several concept papers produced by five working groups of the Steering Committee. In 1998 the United Nations Environment Programme (UNEP) formally joined GRI as a partnering institution, which enhanced its legitimacy, access to funding (through the UNEP Foundation) and administrative and intellectual support (through UNEP's Division of Technology, Industry and Economics). The first draft of the GRI Guidelines (Sustainability Reporting Guidelines Exposure Draft) was presented at an international symposium at Imperial College London in March 1999. A pilot test programme was launched immediately thereafter, entailing a dozen or so meetings at different locations worldwide. In early 2000, a GRI Interim Secretariat was established to manage GRI day-to-day operations.

The first official edition of GRI Guidelines was released in June 2000, and the work on the next edition commenced immediately thereafter, with the

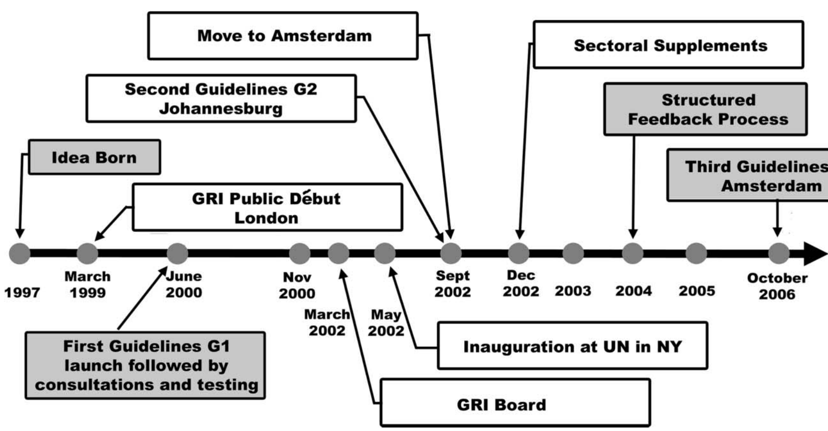

Figure 1. Chronology of the emergence of GRI.

participation of, among others, 31 large companies. The second GRI international symposium (November 2000 in Washington, DC) successfully attracted hitherto unrepresented participants, such as labour, international NGOs, and investors as well as new geographic regions: Africa, Asia, Southern and Central America. It also gave birth to the global Multi-stakeholder Network, the signature of GRI, which would grow from 200 to over 2000 members between 2000 and 2002 (see Brown *et al*. 2007, Dingwerth 2007 for detailed description of the organisational structure of GRI and its functions). At the April 2002 ceremony hosted at UN headquarters in New York, GRI was inaugurated as an independent organisation, with a mission to provide 'stewardship of the Guidelines through their continuous enhancement and dissemination'. It was subsequently incorporated in Amsterdam as a non-profit organisation and a Collaborating Centre of UNEP. The second edition of the Guidelines, so-called G2, was released in August 2002 during the World Summit on Sustainable Development in Johannesburg, and was specifically mentioned by name in Chapter III (Article 17) of the Johannesburg Plan on Implementation. G2 was followed in quick succession by several so-called Sector Supplements and numerous technical protocols and resource materials. By the end of 2005 the governance structure of GRI was completed. The third generation of the Guidelines, G3, was released in October 2006, following a three-year testing, feedback and consultation period with the participation of over 150 organisations from 30 countries (GRI 2007).

Between 1999 and 2002 the GRI champions – two individuals with minimal resources, visibility and political clout – succeeded in obtaining over \$7 million from several foundations and from the World Bank as well as additional support from various participating organisations. Over the years, thousands of individuals and organisations gave their time and expertise toward development of the guidelines (over 3000 for G3 alone), including: companies, religious organisations, socially responsible investors, NGOs, labour unions, and others. Some participated as members of formal Working Groups and various governing bodies of GRI, others as interested individuals.

By the early 2000s GRI became widely regarded as the best developed and best known international framework for sustainability reporting. In addition to the already mentioned partnership with UNEP and featuring in the Johannesburg, a 2002 survey of 107 multinational corporations showed that GRI took second position after the well-established ISO 14001 Standard (ISO 2007) as having greatest influence on their practices with regard to social responsibility (Berman *et al*. 2003). In addition, the OECD Committee on International Investment and Multinational Enterprises promotes the use of GRI while several European governments (e.g., France, Netherlands, and UK) show keen interest in promoting sustainability reporting among its industries modelled on the GRI guidelines.

Clearly, in several short years the GRI founders were very successful in creating a visible and prestigious global enterprise and in institutionalising sustainability reporting by companies worldwide.

Institutional entrepreneurship

To identify the elements of the founders' success described in the preceding section we draw on the concept of institutional entrepreneurship as defined by Maguire *et al.* (2004): 'the activities of actors who have an interest in particular institutional arrangements and who leverage resources to create new institutions or to transform existing ones'. Institutional entrepreneurs are in the paradoxical situation that they have few resources to transform an existing institutional field or build up a new one, but are highly motivated to do so. In order to achieve their objectives they must be skilful in getting other more resourceful actors engaged in this wished-for process of transformation and make resources available for that purpose (Levy and Scully 2007).

This poses high demands on the entrepreneurs' general strategic abilities as well as on their tactical capacities in terms of framing, bargaining, alliance building and motivating (Fligstein 1997, Garud *et al.* 2002). They must be able to spot the inconsistencies and instabilities in the existing institutional field and capitalise on them by convincing others of the urgency to change. Subsequently, the key to entrepreneurs' success is the way in which they are able to connect their change projects to the activities and interests of other actors in the field by crafting their project to fit the conditions of the field itself. They 'read' the path-dependent context in which actors in this field operate and are keen to grasp windows of opportunity as they arise. Such opportunities obviously appear when tensions in a given institutional system have become difficult to ignore. They manage to occupy positions with wide legitimacy and bridge diverse stakeholders, theorise new practices and connect these practices to stakeholders' routines and values (Maguire *et al.* 2004).

To do so, institutional entrepreneurs must be interest-driven, aware and calculating (Greenwood and Suddaby 2006). They must convince dominant players to embrace the proposed new institutions and reconfigure power relations and distributional outcomes by using a discourse of 'win–win solutions': in this case a suggestion of congruence between societal and business interests (Fligstein 1997, Lawrence and Phillips 2004). They must match that *discursive face of power* with the *material and charismatic faces of power* in order to secure the resources as well as create a sense of mission and draw in dominant players. Since opponents of such change who lose the struggle may face serious consequences (Levy and Scully 2007), it is not impossible that they may jump on board for their own good. Even then, the institutional changes that take place will still be embedded in wider asymmetrical institutional structures where dominant players are likely to continue to enjoy more influential positions and the suggested gains for all, or at least some, of the participants in the transition process may fail to materialise.

Intellectual and institutional breeding ground for GRI

The core philosophy of GRI founders drew on the ideology of its parent organisation, Ceres (known until about 2000 as CERES, Coalition for Environmentally Responsible Economies). Formed in 1989, Ceres is a coalition of investors, public pension trustees, non-governmental environmental organisations, foundations, public interest organisations, and labour unions, with a mission to improve environmental performance and accountability among US firms by promoting socially responsible investing and shareholder activism, and by seeking voluntary yet verifiable commitments to codes of conduct known as Ceres Principles (http://www.ceres.org). Ceres' ideological lineage draws, in turn, on two streams of ideas: consumer, investor and shareholder activism dating back to the 1960s; and the corporate social responsibility movement of the 1990s.

The social movements of the 1960s and 1970s in the US propelled the idea of using the power of consumers and financial markets to advance various social causes (see, e.g., Alinsky 1971, Alexander and Sapery 1972, Simon *et al.* 1972, CEP 1973, Massie 1997). Between the late 1960s and early 1980s, several so-called socially responsible investment funds emerged (the Interfaith Center for Corporate Social Responsibility, ICCR, was among the first) as well as organisations specialising in conducting research on companies' performance (e.g., Council on Investment Priorities, 1969, shortly thereafter renamed Council on Economic Priorities, CEP; Investor Responsibility Research Center, IRRC, 1972; Franklin Research and Development, 1979; Co-op America, 1982; and others).

In 1982 Social Investment Forum (SIF) was created in Boston, with a mission to reform incrementally the existing economic system toward greater social responsibility through an alliance of investors, public pension trustees, non-governmental environmental organisations, foundations, public interest organisations, and labour unions. Its members included representatives of the organisations mentioned earlier as well as several mainstream East Coast financial institutions (e.g., CitiBank, Shearson Brothers, South Shore Bank in Boston, Pax World Fund, and others) (Bavaria 2006, Freundlich 2006, Gravitz 2006, Marlyn 2006). Gravitz, Executive Director of Co-op America, recalled that: 'there was a feeling that something new was going on ... that the financial institutions could partner with, or at least work in parallel with, the social movements to solve social problems ... the question was how to turn this new emerging economy into the dominant economy' (Gravitz 2006). Joan Bavaria, founder of Franklin Research and of Ceres, said the goal was 'to bring the information on social and environmental issues to the same level of integrity and predictability as the financial information ... We wanted to establish a new language, and to change the corporate and the existing investment cultures and expectations regarding social and environmental accountability' (Bavaria 2006). Gravitz (2006) added: 'But people stumbled over the language of this new initiative. Terms such as "value added economy" or "economic democracy'' were variously applied, with the latter meaning that social justice, environment and human rights go hand in hand.' It would take the concept of sustainable development to empower these ideas with a language. In 1989 SIF gave rise to Ceres and its signature Principles.

Ceres Principles modelled themselves on Sullivan Principles (1977), which a decade earlier had sought to influence the behaviour of companies doing business in South Africa. The main legacy of Sullivan Principles was to demonstrate that companies can and should follow explicit behavioural norms, and are accountable for their stated social commitments. Created by an alliance of business, capital, religious organisations, educational institutions, and social activists, Sullivan Principles also demonstrated that there is such a thing as generally agreed upon norms of conduct – acceptable to all segments of society and developed outside formal policy frameworks – and that this conduct can be in fact measured, verified and judged (Massie 1997).

While Sullivan and Ceres Principles were among the earlier versions of voluntary codes of corporate conduct, by the mid-1990s that practice gained in popularity worldwide. The 1991 Business Charter for Sustainable Development (International Chamber of Commerce) and the 1999 United Nations Global Compact, are some of the best known examples. And with them the popularity of annual performance reports by companies as well as efforts at standardising those. The 1993 guidelines for reporting pollution discharges by the European Chemical Industry Council, and the 1997 Eco-efficiency Metrics by the World Business Council for Sustainable Development, 1997, were among the standardisation initiatives (White and Zinkl 1998, White 1999). The legally mandated Toxic Release Inventory in the US (1997), which attempted to strengthen the so-called civil regulation through information disclosure (Graham 2002), served as a template for similar European policies and for various voluntary business initiatives.

These trends were some of the manifestations of several broader societal developments during the 1990s: the global corporations publicly embracing the concept of Corporate Social Responsibility (CSR) (Zadek 2001, Utting 2002; Matten and Crane 2005, Midttun 2005, Doh and Guay 2006, Matten and Moon 2007, Levy and Kaplan 2008); global NGOs becoming partners to business and governments in making international environmental policy (Keck and Sikkink 1998, Bendell 2000); and the growing interest among academics, policy analysts and environmental activists in new forms of mutual engagement among governments, civil society and business that would exist largely outside of the world of politics. Some forms of such *private governance* consisted of codified norms of behaviour, with or without government participation, as exemplified by codes of conduct and reporting guidelines or legally required reporting frameworks. Others consisted of partnerships among government, NGOs and business, either through formal arrangements or informal public policy networks, both ranging in scale from local to global (Kraft and Vig 1997, Press and Mazmanian 1997, Reinicke and Deng 2000, Glasbergen and Groenenberg 2001, Ottaway 2001, Pattberg 2005, Zadek 2006, Biermann 2007, Dingwerth 2007). All depended for their legitimacy on explicit measures of progress and disclosure mechanisms to demonstrate transparency and accountability.

In summary, social activism through markets, the CSR and civil environmentalism movements, and the growing popularity of partnerships reinforced one another with regard to the growing demand for information about companies' environmental and social performance, as well as their willingness to release it. Reporting promised to advance multiple interests and to create a language and a shared currency for conducting various societal transactions. Kolk (2006) found that, among the largest 100 companies in OECD countries, voluntary environmental and sustainability reporting, first introduced during the 1970s, rose from 12% in 1992, to 17% in 1993, 24% in 1996 and 28% in 1999.

GRI's emergence, growth and institutionalisation

By the mid-1990s companies were releasing an enormous volume of information, which was mostly inconsistent in scope and depth, difficult to interpret, and practically impossible to cross-compare. The proliferation of many voluntary reporting systems also allowed reporters to choose those that put them in the best light. In 1997, Ceres undertook to standardise this field, naming the project Global Reporting Initiative. The idea was a brainchild of two individuals: Robert Massie, Ceres President, and Allen White of the Tellus Institute in Boston, which at the time provided consulting services to Ceres. The goal was to 'create a global common framework for the voluntary reporting of the economic, environmental and social impacts of corporate and, gradually, other organisations' (White 1999).

The vision

The explicit goal of GRI was to clarify and unify the practice of non-financial reporting, and to empower various societal actors. The 1997 draft paper stated that:

> [The GRI] vision is to improve corporate accountability by ensuring that all stakeholders – communities, environmentalists, labour, religious groups, shareholders, investment managers – have access to standardised, comparable, and consistent environmental information akin to corporate financial reporting. Only in this fashion will we be able to (1) use the capital markets to promote and ensure sustainable business practices; (2) measure companies' adherence to standards set from CERES principles; and (3) empower NGOs around the globe with the information they need to hold corporations accountable. (CERES 1997, p. 3)

But the founders' vision went beyond creating a *product* in a form of guidelines for reporting. Massie and White also sought to set in motion a *process* for creating and sustaining that product. They understood that creating a reporting system on the scale of the standard financial reporting guidelines

(Financial Accounting Standards Board Interpretations), which has taken several decades to evolve to its current format, would necessitate obtaining input from many constituencies in an iterative trial-and-error effort over time, with extensive consultation and collective learning.

While daunting, this goal also opened an opportunity to create a broadly based dialogue among a network of participants of great variety, international reach, and a range of competences and interests. In the founders' vision, the reporting guidelines would be a living document, produced 'by the users and for the users' (Massie 2006) through revisions and adaptations well into the future. In that vision, the process of creating and evolving the guidelines would mobilise a wide range of actors who had not previously thought of themselves as members of the same political and policy network, would institutionalise a discourse among them, lead to new norms, practices and language, and facilitate the emergence of new understandings of corporate and collective responsibility and accountability. These were, in effect, the conditions for the emergence of a new institution based on broadly based multi-stakeholder consultation. In Massie's words: '[we wanted] to ensure that future leaders within the society will pick up the role of stewards of the future ... the process of giving a name to something and turning it into a base for a dialogue' (Massie 2006). And Joan Bavaria stated: 'the goal ... was to mobilise all the stakeholders, changing the expectations of the society around commerce, and making companies more accountable to the society' (Bavaria 2006). Some of the early supporters interviewed had hoped that the reporters with the greatest stakes in the system would in the future seek to legitimate and strengthen it through mandatory reporting policies and through increasingly demanding reporting standards. Several interviewees also envisioned the Guidelines becoming an agent of change within the reporting organisations through self-assessment and reflection.

GRI did not aspire to define, certify or audit performance. Rather, its role would be to create a language which could be used by others to form judgements about the reported performance, and which could over time lead to the emergence of a societal consensus about what constitutes acceptable norms of behaviour with regard to sustainability. Nor did it aspire to challenge the existing institutional structures. Rather, it sought to gain their support and cooperation. GRI's initial challenges were threefold: to organise an international transparent multi-stakeholder process and working groups; to obtain resources in the form of direct funds, time and intellectual capital; and to move ahead of the competition from other reporting frameworks.

The participation and support of powerful companies from across sectors and geographic regions was therefore essential.

Development

Based on the early working documents and the interviews, we identify five strategic principles:

- Inclusiveness;
- International multi-stakeholder process, based on wide consultation and iterative testing and self-correction;
- Maximum use of internet;
- Transparency; and
- Fast pace and efficiency.
  (CERES 1997, 2000, Massie 2006, White 2006)

Inclusiveness, multi-stakeholder participation, and recurrent empirical testing were necessary to create a broad-based support and the atmosphere of neutrality, to elicit the best ideas, to assure that the product serves both reporters and future users, to overcome mistrust, opposition and scepticism, to create legitimacy, and to set in motion the evolution of a self-replicating societal network. Massie paraphrased their message to the participants:

> We want you to be part of the Steering Committee so that you can have some control over it. But if you choose not to, we shall keep you fully informed anyway. If at one point you decide to join, you will be welcomed. And, most importantly, if it proves to be successful, we will spin it off as an independent organisation, so you can be sure that GRI is not a plot to grow the power of Ceres, which, of course, is an advocacy organisation with an agenda. (Massie 2006)

It was one of the accomplishments of GRI to bring this diverse constituency to work together. And work they did, as volunteers, under time pressure and resource constraints, on difficult concepts which required as much hard data analysis as reflection on the matters of economics, power relations, ethics, social justice, cultural norms, and others, while relying largely on electronic communications.

The initial organisational structure of the GRI consisted of a small secretariat, a 17-member Steering Committee, and numerous decentralised working groups. When it first convened in early 1998, the Steering Committee consisted of NGOs, investors, accounting organisations, the corporate sector, and representatives from UNEP. To avoid the perception that GRI was a regulatory programme, no other government agencies were included. Participation by the Association of Public Accountants in the US and the Federation of European Accountants was especially significant, as it demonstrated to US business that other countries and other business sectors were ready to adopt a standardised system of reporting. The committee members were encouraged to promote GRI within their own networks and to recruit additional participants. This created an effective marketing platform and ever expanding source for new ideas and laid the foundation for the multi-stakeholder process. To increase visibility, the GRI organisation offered the use of its evolving Guidelines to the growing number of signatories of the recently created Global Compact (UN 2007).

Early members of the Steering Committee came mostly from Europe and US, with representatives from Japan, India, and Columbia, but the goal was to rapidly expand the international base. Since 1999 GRI has organised regional events in various countries in Europe, Asia, America, Australia, and Africa, and set up multi-stakeholder working groups in South Africa, Brazil, Argentina, Canada, Australia, Hong Kong, Japan, and the UK. The adoption of the internet as the means for communication was key to the GRI becoming a global enterprise with astonishing speed. It allowed widely dispersed participants to form virtual committees and consultation forums and provided efficiency gains. Not only were all the meetings public, but all the documents and discussions were made widely available through the GRI website, electronic discussion boards and email distribution lists. Over time, the writing and re-writing of successive drafts by various GRI Working Groups became a sophisticated virtual system.

Initially, GRI focused on environmental reporting alone, mirroring its parent organisation Ceres, but within a year, in response to the proposal from one of its Working Groups (CERES 1998), the scope expanded to the so-called triple bottom line, the concept introduced by John Elkington in 1994 (Elkington 1994, 1998): *Social performance* indicators address labour conditions, human rights, equality and others; *Economic performance* indicators address economic impacts on customers, suppliers, employees, providers of capital, and the public sector; and *Environmental performance* indicators address resource use, waste management, environmental and health risks, biodiversity and others, both in the present and for future generations (GRI 1998).

The decision to cover all aspects of sustainability performance was a turning point in the GRI trajectory because it ensured that the multi-stakeholder process and global scope would indeed become part of GRI: it would be impossible to develop reporting guidelines on such issues as human rights, community development or labour relations without the participation of a broad range of interests, or in the absence of wide consultations, testing and numerous revisions. It also made irrevocable the original plan to separate GRI from its parent Ceres, which maintained its focus on environmental impacts alone.

Strategy and tactics deployed by GRI's institutional entrepreneurs

Levy and Scully (2007) indicate that a dialectical relationship exists between the material and discursive dimensions of institutions. The material dimension reflects the 'objective' resource-based aspect of an institutional field, while the discursive one reflects the subjective, textual side. We make use of these two concepts in order to analyse the strategy and tactics deployed by the GRI founders to effect the institutional change. Additionally, our interviews with the founders and early supporters of GRI revealed that charisma also played a crucial role in the GRI's rise: the power to convey to others a sense of collective mission to preserve capitalism yet make it more socially responsive and accountable. Although Levy and Scully do not specifically acknowledge charisma, they do write: 'the emotive, mythical character of the entrepreneur might well be critical to a project of institutional transformation' (2007, p. 986).

Below, we explain the interplay of these three key aspects in the tactic that the GRI founders utilised to implement their strategy:

- A discursive face – the conceptualisation and framing of issues in texts and conversations with the wishes of market players in mind;
- A material face – tapping into the instrumental resources of other players; and
- A charismatic face – captured through the created mystique of a vital mission which gave outsiders the feeling they could be part of an historical event.

The discursive face of power

The institutional entrepreneurs promoting GRI developed their institutional idea by presenting GRI as a win–win concept. They managed to get important NGOs and charitable institutions on board, as participants in the multi-stakeholder development process, sometimes even as financiers, by making the promise that their social and environmental issues would find a place in regular business reporting activities. At least equally importantly, they succeeded in getting many leading corporations on board by addressing several of their concerns. They proposed GRI as a voluntary, friendly and more adequate alternative to governmental regulation which, furthermore, would allow businesses to deal efficiently with requests for information from various societal stakeholders and private individuals.

Arguments for others were similarly appealing: customers and consumers will be empowered to influence markets through their purchasing decisions and to make better informed personal choices of goods and services; activists will have better access to information they need to act on a wide range of environmental, social, political, ethical and economic issues; the financial sector will have the necessary information for performing benchmarking and best practice analyses, and to calculate future financial risks related to non-financial performance of companies; labour will be able to keep the issues of labour conditions on the global agenda, especially in distant overseas affiliates in developing countries, and to hold companies accountable; and governments will use sustainability information to negotiate agreements and monitor against targets. GRI accompanied these conceptual justifications to its partners with a robust and uncertainty-reducing recipe for how to reach the goal by breaking up the daunting task of creating all-encompassing sustainability indicators into manageable sub-tasks, to be addressed by Working Groups.

In other words, the GRI founders promised to deliver efficiency gains and serve the missions of all the players. They cloaked this message in a language which was new and yet familiar: the guidelines were modelled after those for financial reporting and were framed in terms of business logic, market requirements, increased competitiveness and efficiency gains (see also Etzion and Ferraro 2006). The above way of problem framing and justifying it as a win–win solution for a widely shared structural problem provided a large umbrella of agreement for building a multi-stakeholder coalition without challenging individual agendas and without having to engage in an open discussion of individual values. The latter could easily have endangered the young and fragile alliance. Massie (2006) noted that:

> You do not need to agree on the first principles. In fact, it is better to avoid having an explicit discussion of core values and the fundamental views on the social order. Instead, you focus on more instrumental ideas. This way people can agree on the actions at that level, they may even be willing to try to understand each other on the core level.

The material face of power

Framing and skilful conceptualisation were, however, only one side of the matter. A second was utilising those necessary instrumental resources from other players in the field or networks, which GRI itself was badly lacking. Hood and Margretts (2007) identify four main instruments to influence other actors: nodality (connection with influential players); authority (legal competence to make decisions); treasure (financial resources); and organisation (staffing and the human power and knowledge this represents). All these were in short supply for the GRI initiators, but they managed directly or indirectly to get access to all of them, either in the form of direct funding from charitable institutions, or in-kind contribution of the intellectual capital of the participants in the multi-stakeholder process, or by the use of technology (the internet). The GRI founders were both well connected to the world of the influential by a network of alliances and contacts, and had the strategic capacity to deploy the instruments made available to them. Approval from prestigious international institutions such as UNEP, major corporations and financial institutions that had long-standing ties with Ceres, and the main representatives of the accounting profession, both in the US and abroad, greatly enhanced the legitimacy and credibility of this project.

Adopting a porous, inclusive participatory process, into which all those with an interest and ideas were welcome, was essential for tapping intellectual resources, experience and technical expertise. It also served to deflect external criticism and competition. Thus, accountants and market analysts brought to the table strong support for standardised quantitative performance indicators and indicators that would or could link sustainability performance with financial risks. Companies brought strong management and communication skills, knowledge of the operational systems within companies, and the ability to perceive links between sustainability performance and financial performance. Shareholder activists and socially responsible investors brought the belief that it is possible to create a capitalist society where environmental, business and social interests can be simultaneously served, along with the knowledge that it requires scrutiny, pressure, and appropriate market-based incentives.

The charismatic face of power

Finally, the GRI entrepreneurs appeared to have 'charisma', a certain quality of individual personalities setting them apart from ordinary men and leading others to attribute to them exceptional powers. These are such that they are almost naturally treated as exemplary persons and leaders (Collins 1986). Our very diverse interviewees all commented on the sense of historic mission that permeated the GRI's early years, the belief that creating a set of uniform guidelines for sustainability reporting was an important step whose time has come, and that the GRI Guidelines would over time become the gold standard of global sustainability reporting. Several former members of the GRI Steering Committee talked about participating in a 'movement' when describing their personal experiences.

The GRI founders built on these beliefs by emphasising the historical significance of the project. The sense of excitement they managed to nurture provided the glue and the fuel for propelling this precarious, largely self-maintaining, participatory process along a specific trajectory. Massie (2006) noted: 'we were like a parade. If a parade is lively and exciting enough, the spectators standing on the sidelines will be moved to join it. This is how we were making people feel'.

In sum, by offering a seat for engagement, the GRI was giving each specific organisation and group the opportunity to become an influential player in a process for a large social change.

Current institutional foundations of GRI and their future prospects

One of the two key elements of GRI's success was timing: it emerged on the crest of an intense discourse about accountability, corporate social responsibility and the appropriate roles for the business, government, civil society and professional sectors in the sustainability transition. The second key element was the founders' ability to maintain a precarious balance: between individual and collective interests; between inclusiveness and broad consultation, and efficient pursuit of technical objectives; between holding a vision of social change and setting attainable instrumental goals; and between building a new institution and not challenging existing institutions and power relations. All this fits very well within the approach typical of institutional entrepreneurship, and as such the GRI founders can indeed be regarded as successful institutional entrepreneurs. But this balancing act forced several crucial tradeoffs.

One such tradeoff was to frame the need for GRI in two competing ways: as a change agent in the relationship among powerful societal actors with regard to accountability and sustainability; but also as a project in better information management with win–win outcomes and efficiency gains for every kind of actor. This duality created unrealistic and mutually inconsistent expectations among the developers and future users of the Guidelines. Smaller enterprises find the Guidelines too complicated and demanding while potential users of GRI reports find them insufficiently specific or standardised. As a result, small companies do not report, investment research enterprises, shareholder activists, and activist organisations continue to do their own research about companies, and those seeking to compare and benchmark performances across reporters (see, e.g., http://www.ideaswork.com) do not use GRI reports. And reporting companies continue to be inundated with requests for information. One of our interviewees representing the financial sector pointed out that adding another system of indicators to the already crowded field has created another loophole for selective reporting according to the set of indicators that would put the reporter in the most favourable light. He noted: 'For reluctant companies, the best possible situation is no reporting at all. Absent that, the next best situation is to have the greatest possible number of reporting systems.'

In short, the promised efficiency gains have been slow to accrue. At the other end of the spectrum, those early participants who were inspired by the larger social mission of the nascent GRI complain that GRI reports do not give an adequate picture of progress toward sustainability. Kolk (2005, 2006) notes a similar complaint directed at non-GRI sustainability reports. Others question the excessive influence of the business sector on the Guidelines: 'The accounting companies got a big piece of GRI from the beginning', commented one early supporter of GRI. One former member of the GRI Steering Committee observed that: 'We felt that GRI was a movement but then it evolved into a service organisation.'

Avoiding open discussion of values and mission produced its own tradeoff by failing to push actors to re-think assumptions and re-examine relationships with other societal actors. The institutional entrepreneurs kept the collective discourse on a technical level and thus avoided bringing the debate to the level of societal or political ideology. Our evidence for this derives from the types of criticisms of GRI made during interviews (and which echo the criticisms reported in the literature regarding non-GRI sustainability reporting). While the specifics vary, their common feature is the focus on the instrumental functions of GRI, namely the quality and reliability of information and its applicability for the immediate needs of the users. What seems to be missing among these critics is recognition of the larger vision of the founders, in which GRI would institutionalise a discourse, practices, norms, and a new language.

This is not to say that GRI might not play that role in the future, even without key participants' full understanding or sharing this vision. Nor do we say that no social or conceptual learning took place as a result of GRI. For one thing, it led to the emergence of a new language and new concepts. Secondly, it has demonstrated that communicating sustainability performance systematically and across diverse contexts is possible. Thirdly, it has shown that it is possible to reach a broad-based consensus on how to do it by way of an inclusive multi-stakeholder process among actors who have never before thought of themselves as members of the same network of interests or competences.

But by initiating a more fundamental debate among GRI participants, however much that might have made the institutional transition harder to achieve for the GRI founders, a clearer shared vision for GRI might have emerged, which would in turn lead to a stronger sense of shared enterprise, strengthen the emerging institution, enable it to absorb the inevitable future criticisms, and add to the richness of the wider social discourse it engendered.

In another trade-off, the effort to facilitate rapid development and uptake of the Guidelines by companies left little room for applying quality control to the reports or the process used to produce them. These shortcomings are not unique to GRI, as numerous recent studies of non-GRI sustainability reports attest (Kolk 2005, 2006, O'Dwyer and Owen 2005, Vormedal and Ruud 2006, Daub 2007).

Some of the above problems and criticisms of GRI can be attributed to the growing pains of an ambitious programme, but others are systemic. Thus, a sustainability report cannot be both comprehensive and simple; it cannot simultaneously meet all individual needs and expectations and be continuously evolving; the goal of efficiency and streamlining fundamentally competes with the goal of inclusiveness, egalitarianism and multi-stakeholder participation; and the goal of flexibility, evolution and participatory ownership of the Guidelines is inconsistent with the idea of mandatory participation. More fundamentally, the framing of GRI as an efficiency gain and win–win solution to the shared problem of information management, while effective in mobilising wide participation in the formative stages, does not have the gravitas to create or sustain a social movement, as some had hoped.

GRI has thus arrived at its maturation stage facing a plethora of challenges, many of which are grounded in the strategies adopted by its founders. These strategies were typical of successful institutional entrepreneurs and perhaps were most appropriate under the circumstances. They generated an unquestionable success, but also left a legacy of unresolved tensions. The resolution of these challenges would determine GRI's future shape and social function, as we show elsewhere (Brown, de Jong and Levy 2009). But the history of its rapid rise, and the tradeoffs it exacted, highlight the fundamental dilemma faced by institutional entrepreneurs who use inclusiveness and multi-stakeholder participation as fuel for social change.

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