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**INST FÖR SOCIOLOGI OCH ARBETSVETENSKAP**

## **The sustainability movement**

- The institutionalization of sustainability in organizations

Bachelor thesis in the main field of work science, 15 hp

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## **Abstract**

Title: The Sustainability movement – Institutionalization of sustainability in organizations

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Examiner:

## **Background**

Sustainability has become a more frequently used phenomenon, both within organizations but also in public. The concept sustainability have been used for several years and started in the fishing and foresting industries, but have later on been used in all sort industries and contexts. Today, it is almost impossible not stumbling over an organizations' sustainability web page on the Internet.

## **Purpose**

The purpose of this thesis is to investigate how and why organizations with different backgrounds and characters operate with sustainability, to answer if sustainability has become an institutionalized trend in organizations.

## **Method and Theory**

The study is built on qualitative interviews with six informants from different organizations operating in different fields. Every informant has a link to the field of sustainability and has been audio-recorded under the interviews. The theoretical tools used for this study are institutional- and new institutional theory and the organizations relationship to its environment. The analysis of the data has been compared with the institutionalized trend of quality.

## **Results**

There are to few interviews being done to confirm if sustainability has become an institutionalized trend in organizations, but there are some signs in the study indicating that there has been some institutionalization. The wide use of sustainable certifications and standards shows that there have been institutional processes in the organizations.

The thesis shows that sustainability provide organizations with legitimacy and trustworthiness, and many informants explained that the growing awareness in the world pressure organizations to incorporate sustainability in their processes, making it a hygiene factor in many organizations to work with.

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Matthias Ahlberg

May, 2014

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## 1. Introduction

This thesis is about the exploration of the concept of sustainability in organizations, and if it is possible to say if sustainability has been institutionalized. Many organizations have been working with sustainability for a couple of years and all of them have web pages describing their responsibilities and their commitments. The question is if sustainability is a trend, legit to work with while it is still an important phenomenon, or if sustainability is here to stay?

Sustainability is a word most of us come in contact with in our every day life. It might be while we are working, shopping or cooking. We all have personal perceptions of what sustainability is, perhaps to prevent the climate changes, the ecological sticker on your broccoli or the work conditions in the Asian factories. My first contact with sustainability as a kid was the period from when the milk was new and fresh until it became sour and stinky. This wide range of perceptions makes sustainability hard to define, to compare and to measure, three important components when organizations approach and accept new projects.

This is not a consultant report with the purpose to enumerate which activities organizations work with and how many certifications they have achieved. This study goes beyond the activities, trying to understand why organizations invest time and money in sustainability, and doing this with the help of institutional theory and the environments' influence on organizations. This thesis highlights how organizations are adapting and being shaped by external pressure to maintain the appearance of a trustworthy actor. How organizations tend to look the same, as a result of institutional isomorphism and the need for legitimacy (DiMaggio and Powel, 1983).

This thesis is named “the sustainability movement” because of the growing movement and use and of sustainability in the world. Sustainability reports are released, sustainability conferences are held and even sustainability legislations ([www.regeringen.se](http://www.regeringen.se)) have been formed. Is sustainability here to stay, or is it just another trend passing by?

## **1.2 Purpose and Research Questions**

The purpose of this study is to explore if the concept of sustainability has become institutionalized in organizations, and doing this by asking why organizations chose to work with sustainability.

- Why are organizations working with sustainability?
- Has sustainability become institutionalized in organizations?

## 2. Background

The background chapter is meant to give the reader an understanding in how the study was created and on what basis. The chapter will cover the concept of sustainability, how the sustainability first was used and how it has evolved to today.

### 2.1. The choice of subject

The idea behind this thesis started when the author did his internship at a large company in Gothenburg, Sweden. The company was in the middle of two certifications toward OSHA 18001 and ISO 14001, which was a part of the company's sustainability activities. The view of their necessity from the employees was two-parted. Some thought it was a waste of time and energy while others were more positive, thinking it was for a good cause and that it was trendy. Over a couple of weeks, a wide range of views and opinions on how to operate with sustainability was collected, which increased the interest for the subject and further investigations in the concept of sustainability was made.

### 2.2 Sustainability and sustainable development

The term "sustainability" was initially chosen to bridge the gap between environment and development. Originally the sustainability concept was spun from the forestry and fishing industries. Basically, the main questions back then included; how many fishes can we catch and still have a functioning fishery for next generations? How many trees can we cut without getting any side effects? While most sustainability problems can be solved in the short run (temporary actions), it might not be a fitting solution in the long run. (Rogers et al. 2008)

The concept of sustainable development has, for the last 30 years, been evolved and revisited many times. The concept explores the relationship among economic development, environmental quality and social equity. (Rogers et al. 2008)

In 1983 the UN General Assembly, which is the main deliberative, policymaking and representative organ of the United Nations ([www.un.org](http://www.un.org)), created a commission called *the World Commission on Environment and Development*. The commission releases yearly reports in which sustainable development are discussed and highlighted. The Commissions' 1987-report, *Our Common Future*, is perhaps the most referred and acknowledged, and often spoken of as the Brundtland Commission Report. In this report the winged words:

“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs” were expressed (United Nations World Commission on Environment and Development, 1987). What this expression underlines, without really pointing it out, are questions of how sustainable development really can be achieved? What is sustainable fishery? What is sustainable forestry? Can we really put a number on everything and argue that above that number, the development turns unsustainable?

Robert Repetto, a leading environment economist wrote:

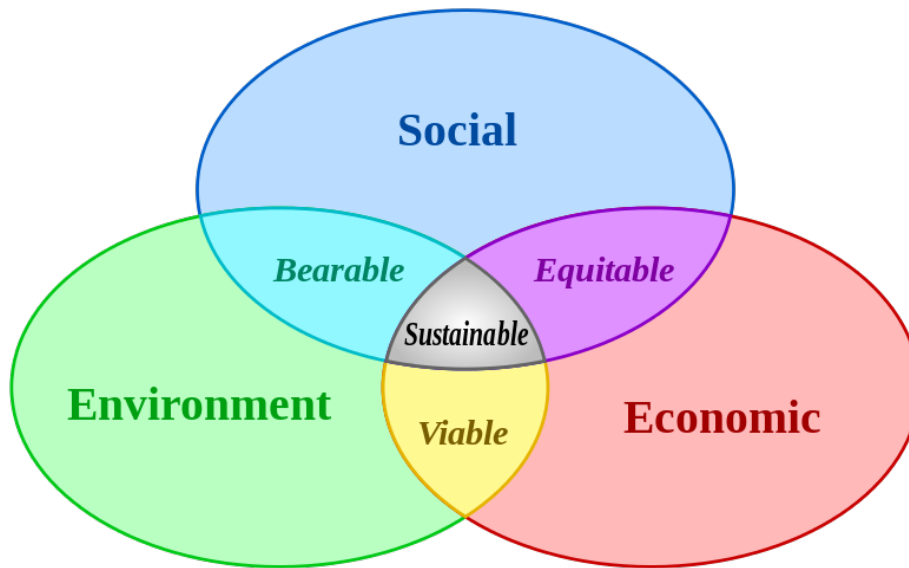
The core idea of sustainability is that current decisions should not impair the prospects for maintaining or improving future living standards. This implies that our economic systems should be managed so that we can live off dividends of our resources. (Repetto R, 1986 in Rogers et al. 2008:22)

Repetto’s ideas are in line with the UN Commissions, although Repetto focuses more on the economic concepts. The economic approach is important when talking about sustainable development since the development is a “dynamic process of change” in how we use and exploit resources and how we live of the poor, and how we invest in new technologies and maintain our businesses for our present and future needs. According to the Brundtland Commission, sustainable development must rest on politics were critical economical, social and environmental decisions are made (Rogers et al. 2008).

### **2.3 The triple bottom line**

Sustainable development rests on three pillars, economic, environmental and social as mentioned above. These three dimensions are often used in various development programs and can be seen as the triple bottom line. It is important that each dimension is given equal consideration to ensure a sustainable outcome (Rogers et al. 2008).





**Figure 1.** (<http://en.wikipedia.org/wiki/Sustainability>)

Figure 1 illustrates that to receive sustainable results a fine balance must be reached between the three components. If one dimension overwhelms the others the outcome will be unbalanced and unsustainable.

Many economists and scientists have rethought the definition of the economical pillar. Robert Repetto focus on the economic system and that the system must be managed so we can live off on the returns from our resources without undermine existing or new ones (Rogers et al. 2008). David Pearce, a specialist within environment economics, tries to quantify sustainability in mathematical terms. In his writing (Pearce D, 1988) he uses phrases such as “managed natural regeneration rate” to highlight that, for example wheat cannot be harvested at a rate higher than natures own natural regeneration rate. He uses mathematical calculations, the one below is an example from the forest industry (Pearce D, 1988 in Rogers et al 2008:43).

If:  $X_1 = m^3$  biomass removed/unit time  
(In other words, trees cut down at a certain rate)

$X_2 = m^3$  biomass regenerated naturally and/or reforested/unit time  
(In other words, trees growing naturally or with the help from reforestation, at a certain rate)

Then:  $X_1$  should be less than  $X_2$  for sustainable forestry  
(In other words, do not cut down trees faster than they grow back up)

The ecological pillar has been defined as:

Maintain the resilience and robustness of biological and physical systems. Sustainable development is about maintenance of essential ecological processes and life support systems, the preservation of genetic diversity, and the sustainable utilization of species and ecosystems. (International Union for Conservation of Nature (IUCN), World Wild Life (WWF), United Nations Environment Program (UNEP), 1987 in Rogers et al. 2008:44).

Professor Edward Barbier's view on maintaining the stability of social and cultural pillar are linked to increasing the standard of the poor. A higher standard can be measured in terms of increasing food, real income, education, health care, water supply and sanitation that indirectly contributes to a higher economic growth for the users (Edward Barbier, 1987 in Rogers et al 2008:44).

The UNEP's first Executive director, Maurice Strong, uttered a definition back in 1992 in Rio

Sustainable development involves a process of deep and profound change in the political, social, economic, institutional, and technological order, including redefinition of relations between developing and more developed countries (Maurice Strong, 1992 in Rogers et al. 2008:45).

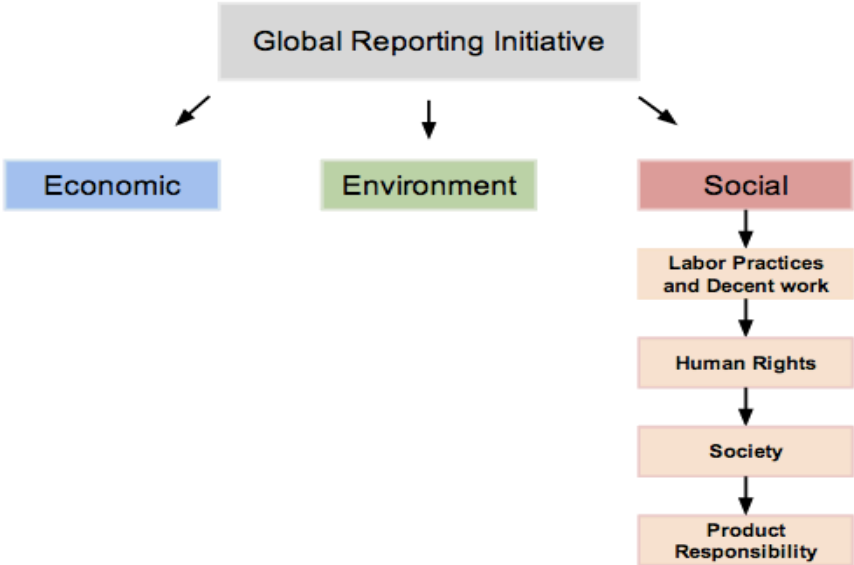
What both Barbier and Strong implies are that the social dimension can be summarized as a mutual view that economic growth occur at the expense of using poor people working in less developed countries with lower standards and conditions, and that these exploitation systems must be managed for the better.

## 2.4 A framework for sustainability

In 1990, at the same time as the wave of sustainable development and sustainability flushed over the world, two pioneers of a non-profit organization developed a framework for environmental reporting in Boston, USA. Executive Director Dr. Robert Massie and Chief Executive Dr. Allen of the CERES organization (Coalition for Environmentally Responsible Economies) created a project framework called the *Global Reporting Initiative*. The aim was

to create an accountability mechanism to ensure companies were following the CERES principles for responsible environmental leadership. Some years later, in 1998, a steering committee was established to develop the GRI further to include more than just environment. On their advice, the frameworks’ scope was widened to include social, economics, and governance issues as well. The GRI guidance became a sustainability-reporting framework, alike to the one being used today. Until today (2014) GRI has released four generations of guidelines (G4) consisting of sector-specific guidance, certifications, coaching and training programs ([www.globalreporting.org](http://www.globalreporting.org) 2014-04-07).

A sustainability framework can help organizations and companies to measure, understand and communicate sustainability. Figure 2 explains which categorizes that can be included in an organizations’ sustainability report. The organization reports and uses different application levels from C to A depending on how experienced they are at reporting. A “plus” sign, showing that a neutral actor has verified the report, follows up the letter, for example, A+ ([www.globalreporting.org](http://www.globalreporting.org) 2014-04-07).



**Figure 2.** The GRI categorizes – based on the sustainability-reporting framework

The observant reader might notice that the framework has the foundation, alike the three pillars of the United Nations. That is not a coincident since GRI, in 2002, was formally inaugurated as an UNEP (United Nations Environment Program) collaborating organization ([www.globalreporting.org](http://www.globalreporting.org) 2014-04-07).

At present time, the GRI framework is globally used by a lot of organizations. In Sweden a decision was made that every public organization must compile a sustainability report with help from the GRI guidelines every year. ([www.regeringen.se](http://www.regeringen.se) 2014-04-07)

Let us go back and study the purpose again. The purpose of this study is to examine if the concept of sustainability has become institutionalized in organizations. We now have a better understanding of what sustainability is, but to answer if sustainability has become institutionalized in organizations, we have to understand how institutional processes occurs and how they are spread among organizations.

### **3. Theory and earlier research**

How trends and ideas are spread and becoming institutionalized in organizations can be understood and explained by different theories. The theories used for this study are *Institutional theory with a new-institutional approach* and organizations relationship to its environment. Since institutional theory can be applied in several fields (economy and political science for example) the focus will be on institutional theory within the field of social science.

The chapter continues with a discussion of earlier researches of institutionalization in the field of sustainability and Corporate Social Responsibility, now referred as CSR. The earlier researches will be discussed in relation to this study, trying to understand where this study might contribute in the scientific exploration of institutionalization of sustainability and if it is possible that this study might fill an unexplored field.

#### **3.1. Institutions**

Before we start discussing institutional theory, the reader might want a better understanding of what an institution is. The sociologist F. Stuart Chapin gave his definition on what institutions are. He talks about institutions as a result of people, repeatedly interacting with each other, trying to meet their basic and specific needs. This interaction creates action-patterns that, if the majority of the group accepts it, are rewarded. Peoples constant search for positive feedback makes the patterns daily actions, which soon will be standardized and taken for granted, and passed down to new employees. The fear of being rejected and

opposed by the majority makes routines and patterns unquestionable followed and hard to change. Interaction between people do not only create a specific culture within the organization, it is also expressed in the creation of buildings and physical structures. Often, the buildings them selves are seen as the institution and the cause of institutionalism, when actually it is the daily actions between people who maintains it (Chapin 1928 in Eriksson-Zetterquist 2009:14).

The sociologists Peter Berger and Thomas Luckmann used the word “habitualization” and “typification” in their description of how institutions emerge. Habitualization can be described as “to perform actions after a given pattern” and typification can generally be seen as a “sorting or classification of patterns for actions and actors” (Berger & Luckmann 1966 in Eriksson-Zetterquist 2009:16). Every action repeated enough times end up becoming a pattern. The pattern becomes an effective and economical method to repeat the actions, and soon enough the actors will not see it as individual actions, but as a specific pattern. For example, have you ever arrived at work, not knowing how to start your day off? Likely you will end up starting your day, similar to how you started your day, the day before. You do not reflect about it as an individual action, but as a routine. The routine though began as an individual action before it became the routine itself. When enough people classify habitualized actions (like how everyone should begin their day) institutionalization emerges and creates an institutional structure (Eriksson-Zetterquist 2009).

### **3.2 Early institutional theory**

The interest for institutions in social science might have started with the English philosopher and sociologist Herbert Spencer. His idea of a society seen as an organic system (Social-Darwinism) was revolutionary. Spencer is perhaps most famous for his formulation “survival of the fittest” after reading Charles Darwin’s book *On the origin of species*. Spencer claimed that society and evolution follows a predetermined pattern that finally ends up in an ultimate stage of perfection. The organic system adapts to the environment through organized institutional subsystems (Eriksson-Zetterquist 2009).

Philip Selznick, a professor at the University of California, talks about institutional theory as:

Institutional theory traces the emergence of distinctive forms, processes, strategies, outlooks, and competences as they emerge from patterns of organizational interaction and adaptation (Selznick 1996:270).

What Selznick means is that with the help of institutional theory, one can understand how organizations adapt and interact with its inner and outer environment and therefore takes on a certain structure or strategy. Selznick continues talking about institutionalization as a neutral idea, which can be defined as the emergence of stable, orderly and socially integrated patterns out of unstable and loosely organized activities from the organizations environment. (Broom & Selznick 1995 in Selznick 1996:271)

Back in 1933, President Roosevelt made the call to establish two facilities for production of artificial fertilizer and the Wilson Weir. This action was called the TVA-project (Tennessee Valley Authority). Professor Selznick was not interested in the content of the project (the manure) but made a study of “the nature of Authority as an ordered group of working individuals, as a living institution, which is under scrutiny” (Selznick 1949 in Eriksson-Zetterquist 2009:42). In other words, how working individuals in a group under supervision chose to act and what influence their choice of actions. Selznick’s focus was directed at the “grassroots method” which was the tactic the President and staff used to encourage democratic actions, meant that decisions were to be made “bottom-up”. Selznick’s initial view was that organizations were bureaucratic tools, but should rather be seen as an organic structure. The results that Selznick was able to show was that the project adapted to its local and institutional environment. To understand why representatives act as they do, one has to study the organization as a social living institution. The conclusion was that organizations would always be affected by the actions of people and groups and forces in the local environment (Selznick 1949 in Eriksson-Zetterquist 2009:51).

To summarize, early institutionalism is based on individual organization and the importance of patterns and coalitions between people within the organization. The informal structure (the interaction between people) affects and conflict the formal structure (authority and regulation). The organization should therefore be seen as an organic system adapting to its internal and local environment and slowly changing from within, which becomes the institutional process. This means that the organization changes in its own way and becoming unique (Eriksson-Zetterquist 2009).

### 3.3 New institutional theory

The new institutionalism shift focus in the studying of organizations, even though the early- and new institutionalism rests on the same foundation. The focus in new institutionalism is the view of legitimacy as a driving force among organizational actors, influencing each other within the same industries. The justification which legitimacy provides encourages institutional mimicry or mimesis and as a result, the organizations are highly sensitive to the cultural environment and context within which they act (Selznick 1996).

The new institutionalism is based on two central studies. First John Meyer's and Brian Rowan's article *Institutionalized Organizations: Formal structure as Myth and Ceremony* published 1977. Second Paul J. DiMaggio's and Walter W. Powell's article *The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields* published 1983 (Eriksson-Zetterquist 2009).

Meyer and Rowan's writing is often referred to as the scientific foundation of new institutionalism, seen as the first development of the early institutionalism. The ambition was to avoid the critic the early institutionalism got for being too descriptive and abstract. The focus in new institutionalism was directed toward organic structures and processes common for whole fields and industries, reaching both national and international impact (Eriksson-Zetterquist 2009).

Meyer and Rowan claims that the formal structure does not reflect the actual internal activities, such as coordination and controlling, but rather gives the organization legitimacy by reflecting myths and ceremonies onto its institutional environment. To organize seems therefore rather to be about adapting to institutional directions than to coordinate and control activities. The myths and ceremonials are strongly institutionalized activities in the formal structure, such as professions, techniques and programs. These myths do not necessarily have to be the most effective way to execute an action but it makes the organization look legitimate, rational and modern. If an organization chose not to adapt to the myths, the organization might appear non-legitimate by its environment. By having the same shape – to be isomorphic – the organizations will be successful and survive (Eriksson-Zetterquist 2009). Meyer and Rowan explain this as a natural corollary of a preconception from organizational myths and rituals.

The more an organization's structure is derived from institutionalized myths, the more it maintains elaborate displays of confidence, satisfaction, and good faith, internally and externally (Meyer & Rowan 1991 in Selznick 1996:273).

Paul J. DiMaggio and Walter W. Powell wondered why schools, states and companies show such homogeneity in the way they organize. Early statements claim that organizations are individual and rational driven, and this did not explain why the organizations had so corresponding way of organization. To explain this homogeneity, DiMaggio and Powell used the concepts "organizational field" and "isomorphism". Field and form would come to be two central ideas within new institutionalism. Organizational field highlights the fact that the environment is created by and creates organizations, and isomorphism gives an understanding in how organizations' forms and shapes tends to be more alike one each other (DiMaggio and Powell, 1983). The result of organizations' dependence to legitimacy is the occurrence of institutional isomorphism. DiMaggio and Powell describe institutional isomorphism as:

Organizations tend to model themselves after similar organizations in their field that they perceive to be more legitimate or successful (DiMaggio and Powell, 1983:152).

The outcome of the remodeling is a mimetic process, which can be seen as "a response to uncertainty". Consequently, organizational adaptation is more rooted in anxiety than in rational efforts to avoid reinventing the wheel and by that, seen more as compulsive than problem solving (DiMaggio and Powell, 1983).

Both articles come down to a significant conclusion, to make it look like you know what your doing and the importance of legitimacy. The concept of legitimacy is central in new institutional studies. John Dowling and Jeffrey Pfeffer argue that legitimacy is an important aspect when analyzing the relationship between organizations and its environment. They declare that since organizations are part of a superior social system, it is the system that marks which actions and resources that are legit to use (Dowling and Pfeffer, 1975). Meyer and Scott emphasize that the cognitive aspects of legitimacy explains why everyone thinks alike, or rather why it is so difficult to think differently. Altogether it is more obvious when there is a lack of legitimacy in an organization rather when it exists. When there is a lack of legitimacy, the organization will be exposed for attacks and comments (Zetterquist-Eriksson, 2009).



Finally there are several ways to claim legitimacy: Society, media, stakeholder relationships, and legislation organizations for example. As isomorphism has the power to effect organizations within a field, sources to legitimacy also possesses power to influence organizations (Zetterquist-Eriksson 2009). Since these sources exist in an organizations environment, the next chapter will explain the organizations' relationship to its environment.

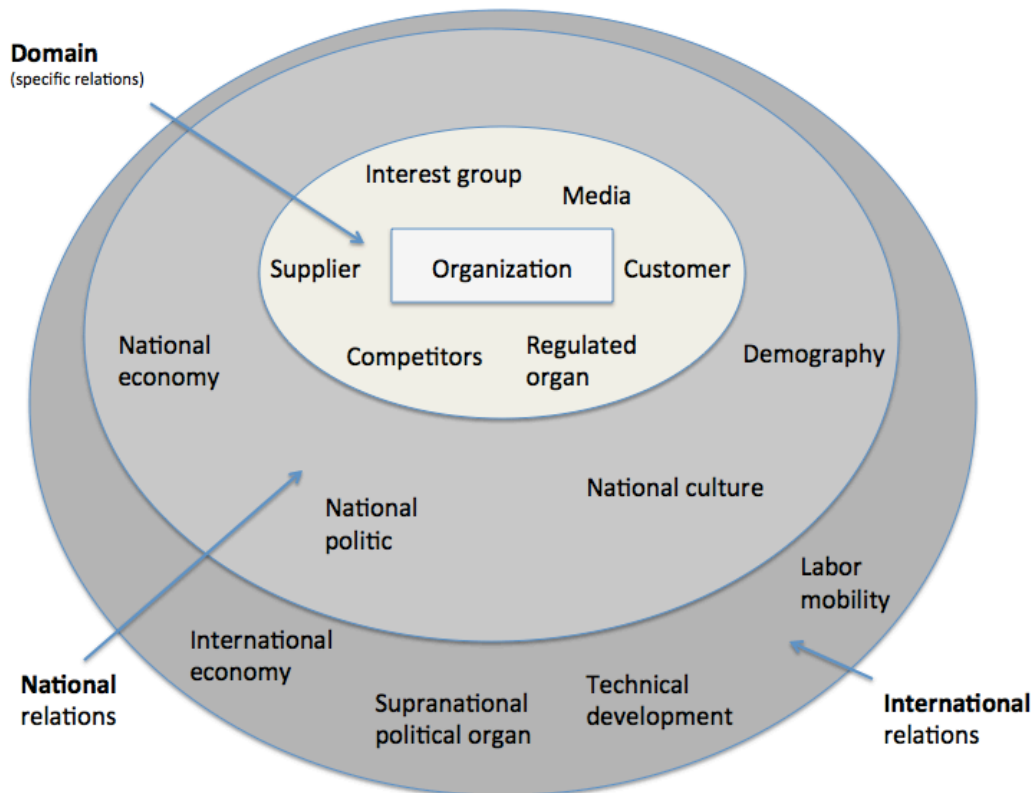
### **3.4 The organization and its environment**

The previous chapter mentioned the environment surrounding the organizations. This chapter will go deeper into the theoretical view of what the environment consist of and how organizations gain resources from it.

The basic view is that organizations are highly dependable to its environment. The environment consists of resources in form of capital, labor-work, raw materials, actors and information that are needed to fulfill the organizations goals. The relationship between an organization and its environment is therefore necessary and crucial for the organizations future existence (Jacobsen 2008).

To study the relationship, it is important to understand what aspects the environment consists of that influences organizations. Professor Dag-Ingvar Jacobsen tries to illustrate the environment by dividing it into three regions:

- a) Domain or ambient environment
- b) National relations
- c) International relations



**Figure 3.** (Jacobsen 2002)

The figure illustrates that the organizations' nearest acting environment, the domain, has the strongest and most immediate impacts on the organization. The most important actors can be found in the domain area such as customers, competitors, suppliers, public organs that regulate laws, and media that possess the power over the opinion formation. These actors are daily communicating and influencing the organization. If we look further out from the organization, to the national and international regions, we can see that they consist of general operating social relations that affect all organizations, independently of field or industry. Economical and technological development, politics or demography and social relations are found here. At this range it is harder to study which consequences this relations might inflict on organizations (Jacobsen 2002).

To further explain how structures and patterns are institutionalized within organizations a new theoretical illustration can be done, and this by separate the environment into a "technical" and an "institutional" context. The institutional context, or environment as it has been referred to in the previous chapter, is where organizations are gaining their legitimacy. The institutional context consists of apprehensions, norms and expectations that determine which activities and systems are legit (Jacobsen 2002). The institutional context is unstable and

changeable which means, for example, that one day it is legit to use nuclear energy and the next day it is wrong because of a serious incident that happened over night.

The technical context on the other hand consists of all the relationships outside the organization that directly influence how the organization solves its problems to fulfill its goals, for example suppliers, competitors and customers (Jacobsen 2002).

		Institutional context	
		Strong	Weak
Technical context	Strong	Banks Hospitals	Production Companies
	Weak	Schools	Restaurants Gyms

**Figure 4** (Jacobsen 2002)

Figure 4 is meant to illustrate that organizations collect resources from different contexts to fulfill their goals. For example, banks are affected by both the institutional and the technical context. The bank must nurse its relation with its customers and suppliers while they also have to maintain its legitimacy to look ethic and reliable. A restaurant on the other hand is not as dependent by its suppliers and competitors and is not providing a service that requires high legitimacy. Therefore, the restaurant is not as affected by its technical and institutional contexts as the bank.

This figure was important in the selection of informants. The author wanted organizations operating in various fields to understand if this illustration might influence the institutionalization of sustainability.

**3.7 Earlier research**

Since this study explores the institutionalization of sustainability in organizations, it is of use to look at previous research in the same field or close to it, to identify which research orientations that exist. This section will cover some of the earlier researches of

institutionalization in the field of sustainability and CSR to increase the understanding where this study might contribute and be positioned.

Enrique S. Pumar (2005) presented his research paper about “Social Networks and the Institutionalization of the Idea of Sustainable Development” back in 2002 describing the institutionalization of sustainable development between 1972-1992. Pumar describes how the sustainable knowledge was starting to get promoted out from the academic circle on to the public sphere. His research ends out in a disclosure that the ideas of institutionalization of sustainable development are transformed into paradigms in three overlapping stages:

Views are conceptualized by the egocentric interactions of experts and intellectuals. After the basic premises of a paradigm are set up, public intellectuals take the lead in promoting and institutionalizing the perspective they defend. The legitimacy of this group of individuals derives from members’ access to decision-making institutions and from their ability to translate difficult scientific concepts into discussions of meaningful events with which the general public can identify and connect. A third source of leverage this group commands derives from extracting implications from catalyzing events that substantiate the call for endorsing and adopting national policies, in this case sustainability (Pumar 2005:80).

This perspective on how knowledge of sustainability has been institutionalized in the society, raising the public awareness of sustainable questions and even influencing national policies can be seen as up to date even today. Leading environmentalists and researchers are constantly presenting reports of global warming, creating a public opinion around the question influencing organizations and national policies, as an example.

According to Jackson & Apostolakou (2010) much of the CSR research that has been done has aimed to “establish the business case for CSR” by exploring its relationship with economic performance. Parallel to this field, studies that focus on the moral and ethical justifications for CSR has been made. For example, Lindgreen et al. (2012) did a study called “*Corporate Social Responsibility in Controversial Industry Sectors*” where they explored how organizations in controversial industry sectors, often marked with social taboo, morale debates and political pressures maintain reasonable, socially responsible standards. The study brings up “sinful” sectors such as tobacco, gambling, weapons and alcohol, but also sectors such as nuclear, oil and biotech industries, necessary for the societies functions, but that continues to increase environmental, social or ethical issues. The study questions if these types of businesses get away with their operations just by announcing that they work with

corporate social responsibility, and if organizations really take social responsibility when their products harm the customers.

Jackson & Apostolakou (2010) explains that despite the extensive CSR research being made, relatively few studies have explored how different types of institutions may influence the development and distribution of CSR practices. The new-institutional perspective, where institutions adopting particular structures and shapes through isomorphic pressure to enhance their legitimacy (Meyer & Rowan, 1977) is fairly unexplored. Jackson & Apostolakou have contributed to the new institutional field with their study "Corporate social responsibility in Western Europe: An Institutional Mirror or Substitute?" where they make a comparative institutional analysis, to compare the influence of different institutional environment on CSR policies of European firms. The approach is that CSR is often seen as a strategic response against the pressure from shareholders. Their empirical findings highlights the importance of institutional factors (rules, norms and routines for example) in shaping patterns of CSR. They explain that their study contributes to the CSR literature documenting the important role of institutional factors at the sectorial level and particularly at the national level. (Jackson & Apostolakou, 2010)

In Sweden earlier research has been done in studying the effect that the institutionalization of sustainability reports has had on state-owned organizations. The purpose of the study was to investigate if and in what degree the governments' increased demands on sustainability information and communication have had any effects on state-owned companies' sustainability work. The study focuses on structural and processing changes in the companies' sustainability work and how the companies have applied the new guidelines directed from the government (Borglund et al., 2010). This research is interesting since this type of political action can be seen as a *coercive isomorphism* (DiMaggio and Powell, 1983). It is a forced controlling action from the government, which affects many state owned organizations, making them adapt to the same sustainability system. This research might be of contribution to raise the understanding why organizations tend to look and form alike, much like DiMaggio and Powell when they explored why schools, states and companies show such homogeneity in the way they organize (Eriksson-Zetterquist 2009). The study shows that the guidelines have contributed to raise the awareness and attention around sustainability in organizations and to generate new knowledge about sustainability questions. The study shows

little signs of that organizations have institutionalized new sustainability activities (Borglund et al. 2010).

This is just a small selection of researches in the field of sustainability and CSR. These are brought up to exemplify the wide range of research fields on the subject and the institutional processes of sustainability and CSR that occurs right now. So where does this thesis fit in among these researches? This study does not fill any unexplored holes in the field of institutional theory and in the subject of sustainability. This study might be seen as a field study, trying to explore if sustainability has been institutionalized in organizations by studying how and why they work with it.

## 4. Methodology

This chapter will start with a presentation of the methodological approach. This is followed up with a discussion of the selection of informants and the process of data. The chapter ends with a discussion of reliability, validity and research ethics. Throughout the methodology chapter, the purpose of this thesis, *has sustainability become an institutional trend in organizations?* been present in mind and considered.

### 4.1. Methodology approach

This study is built on a deductive approach since there was a preconception before the study started that sustainability might already have been institutionalized in organizations, through earlier experience. This study can therefore be seen as a “test of theory” as Silverman (Bryman 2008) would have explained it. This study started with the theory that sustainability was institutionalized in organizations and formed research questions built on that preconception.

The study is of a qualitative character and is going to be performed by using qualitative interviews to explore if sustainability has been institutionalized in organizations. The study is interested in patterns and the informants’ answers and perspectives about how and why they are working with sustainability. The qualitative interviews offer a better chance to answer the purpose and the research questions than quantitative methods (Trost 2010). The benefit of using qualitative interviews is the possibility to be flexible when asking questions. If a theme or subject seemed extra important, there is room to explore that part a little deeper. The study is built on semi-structured interviews, which makes it easier for the interviewer to swerve of from the interview-guide and adapt to the respondent. This choice of method opened the possibility to ask additional questions at a later point (Bryman 2008).

### 4.2. Sampling

The selections of informants were chosen with a reference to the research questions and the purpose. The research questions for this study are to explore how and why organizations are working with sustainability, and by analyzing their answers, determine if sustainability has become an institutionalized trend in organizations. The sampling necessary for this study should therefore relate to the subject sustainability, which they all did. This type of design

sampling in qualitative interviews can be seen as a purposive sampling according to Bryman (2008).

The selected was based on a snowball selection (Bryman 2008). The first interview being done for this study was with a coordinator at an organization helping other organizations with questions regarding CSR. Since CSR is seen as a part of sustainability, based on previous experience, this was a good start. The coordinator made a list of potential informants after the interview, which was based on the organizations' members who all worked in positions regarding CSR or sustainability in their companies. The list contained several informants from organizations working in different fields and industries. It was a great opportunity to get in contact with informants from different companies with different characters, investigating if there were similarities or differences in the way they were working with sustainability. An exception in the selection of informants was the professor in ergonomics and sustainability. That selection was based on a convenience sample, since the professor had been in contact with in an earlier matter (Bryman 2008). The type of selection must always come with a caution awareness of how it might influence the study. The snowball selections used in this study have all been picked out from a list made by an informer operating in the field of CSR. This affects the samples since they probably also operate with CSR and might even work with it in the same way.

The informants were e-mailed and asked if there was a chance for them to set up time for interviews. Four informants responded and accepted to be interviewed, the other did not have the time or did not respond in time. The author did not make the effort to follow up the respondents who did not answer with respect for their integrity (Troost 2010).

The informants for this study have a good variation since they all work in different industries, and they all have positions relevant to answer the research questions. This study can therefore be seen to have a good balance in the selections homogeneity and heterogeneity (Troost 2010).

On the next page is a table of the informants, coded for this study. The informants will not be named and positioned according to the agreement done at interviews. This table will be referred to in the result and discussion chapters.



<b>Informants representing the organizations</b>	<b>Field or industry</b>
Informant A = Organization A	Forestry, Manufacturing,
Informant B = Organization B	Recycling and Waste disposal
Informant C = Organization C	Retail
Informant D = Organization D	Tourism and Hospitality
Expert	CSR and Communication
Professor	Work Environment, sustainability

**Figure 5**

### 4.3. Interview-guide

The study is influenced by Jan Trost's (2010) recommendations in the design of the interview-guide. Since the study is built on qualitative interviews, the informants were able to talk freely from an interview-guide based on different questions and themes. The themes included, general questions such as position, field and owners. Questions regarding how and why they were working with sustainability and how long they have worked with it. What they have done in the field and how the environment affects them. To answer the research question "Do the organizations work with sustainability?" the interview questions had to capture *how* they were working with sustainability. These questions were asked to support that they actually did work with sustainability and not merely just talking about it.

The guide has been adapted to the informants since it does not have to be identical, but has to be comparable and contain the same content (Trost 2010). The interview-guide was adapted to the informants but also to the current situation in which the interviews were done in. Four interviews were done a face-to-face and two interviews were done over the phone. It is more difficult to do interviews over the phone because you tend to interrupt each other. The two phone-interviews resulted in a much more careful approach where the informants were able to talk more freely and not so strict out of the interview-guide.

According to Bryman (2008), the important part is that the questions makes it possible for the researcher to receive information about how the informants experience its world and that the

interview makes room for flexibility. The interview-guide lets the informants talk freely and describe how their organization works with sustainability, but also open up the possibility to describe their own opinion according to how they perceive the world.

#### **4.4 Data collection**

When the time for the interviews approached, the interview-guide was sent out to the informants preparing them for the themes and questions that would be brought up. Some of the informants wanted to be prepared and asked for the guide initially.

Six interviews were done, four which were done face-to-face and two done over the telephone. The interviews were done while a cell phone audio-recorded the conversations. The informants were initially asked if it was ok to be recorded, which is common courtesy when doing audio-recorded interviews. The benefits of recording are the exact registration of the informants' answers while the down side is the amount of time the interviewer has to invest in the transcribing process. Patel & Davidson estimate that an hour of recorded interviews takes up to 4-6 hours to transcribe (2011). Jan Trost highlights that the interviewer can pick up intonation and choice of words several times after the interview has been done (2010), which was very useful during the transcribing. The interviews took 40-50 minutes per interview and were done over a time span of three weeks. The phone interviews were made because of the distance to the informants. Jan Trost explains that phone interviews are not appropriate for more deep and profound questions but it worked for this type of questions. The disadvantage of an interview done over the phone can be the loss of details since the interviewer uses a selective filter unconsciously to pick up the most important details for the report (2010). Since the author had access to two phones, one of them was used as an audio-recorder while the other one was used to talk with on speaker mode.

#### **4.5 Processing and analyzing of data**

This section will describe how the author used the theories chosen for this study in the processing and analyzing of the empiric data collected through the interviews. This process is personal and it does not exist a universal way to process or analyze qualitative data (Bryman 2008).

The initial step in processing the data was to transcribe the data into paper form. Every interview for this study was audio recorded by a cellphone, which made it easy and reliable to

transcribe the interviews. The interviews were transcribed, which took approximately 20-30 hours, and printed them out. To print out the interviews in text form makes it easier to work with and organize (Patel & Davidson 2011).

Six interviews, most of them covering 7-10 pages filled with text that was unsorted. The texts were read several times and during the reading, notes were written down in the fringe, and sentences and words were highlighted. The most occurring words among the interviews created themes that will be presented later in the result and analysis chapter. All themes have a connection to the institutional perspective used in this study.

This study rests upon a deductive approach, meaning that the aim is to test the hypothesis if sustainability has been institutionalized in organizations. To answer this, interview questions were asked how the organizations worked with sustainability and which activities they consider being of a sustainable character. These questions gave several answers of how the organizations worked and operated with sustainability. The activities themselves were not as important as the insight that the organizations actually did work with sustainability, and that it was not only rhetorical.

Institutional indicators were picked out from the theory that was used as guidelines in the processing. The indicators were for example *legitimacy*, *isomorphism*, *the environments affect on organizations* and the *organizational culture*. These indicators all explain an institutional process according to (Selznick, 1996, Meyer & Rowan, 1977, DiMaggio & Powell, 1983).

To present the empirical findings in the *result* chapter, quotes have been carefully selected, meant to illustrate and give the reader an understanding in how the informant perceive the subject and how the organizations operate with sustainability. As have been brought up in the *sampling section*, the informants' names and organization has been coded into letters, which contributes making them anonymous throughout the thesis. When an informant is being quoted, the letter representing that informant will be used. Since this thesis focus toward a specific field and theoretical perspective, some empirical data will be presented while some have been left out. The main goal is to present necessary data for the reader to get a general view on the subject.

## 4.6 Reliability and validity

Alan Bryman explains that the concept of reliability and validity can be used in both qualitative and quantitative studies, the exception lies in the decreased focus on measurement in qualitative studies. Since this study is not interested in measurement, qualitative studies are the best method. Bryman discusses two types of instruments that can be used to evaluate the quality of qualitative studies, adapted- and alternative reliability and validity evaluations. The adapted method focuses on internal and external reliability and validity, while the alternative method has added two more criteria's in form of trustworthiness and authenticity. This study proceeds from the first choice, the adapted evaluation. This means that reliability and validity of this study will be evaluated in an internal and external view. The internal reliability view is not relevant in this report, since it focuses on several authors and there is only one for this report (2008).

External reliability is the possibility to replicate a study. This study will be hard to replicate, which is a feature qualitative studies have according to Bryman. The reason lies in the impossibility to “freeze” a social environment and the social actors, which have participated in this study. This comes down to the researcher's ability to get in the same social act as the previous researcher, or else, what the present researcher hears and sees will not be able to be compared to the data sprung from the original study made by the previous researcher (Bryman 2008). Jan Trost says that the idea of getting the same respond at two separate occasions is built on the conception that humans are static or stabile in their way of thinking and in their behaviors (2010).

One important feature in terms of reliability and validity is the possibility to generalize it to other social environments and situations (Bryman 2008). This study and its purpose are directed to a certain field (sustainability), which make it hard to generalize. The theories on the other hand might be able to be generalized onto other contexts since institutionalization is something that occurs in all fields.

The interviews done for this report were built on a low standardization. A semi-structured method was used which gave the opportunity to go beyond the interview guide and adapt the interview to the informant. Qualitative interviews are supposed to maintain a low degree of standardization so the interviewer is able to pick up details and impressions from the

respondent. The level of standardization affects the degree of reliability. High standardization equals high reliability (Troost 2010).

#### **4.7 Ethic consideration**

The informants were from the very beginning informed that the interviews were done under strictly confidentiality, and that the interviews were only for the authors' ears to hear. The informants did not have to answer specific questions if they did not want to and the interviews were done on the informants' terms (for example, set of location and time).

Jan Troost (2010) talks about "informed consent", which implies that the informant shall receive information about the content of the interview. As was brought up earlier, the informants received the interview-guide before the interviews and had the possibility to prepare themselves and see if there were questions that they did not want to answer.

The informants volunteered to be interviewed and were not forced or blackmailed into it. The author offered to send a copy of the report after it was finished, which every informant gladly wanted.

## 5. Results and analysis

This chapter will present the results of the empirical data. The data will be presented in themes where the research questions create the head themes and the empirical findings create the sub-themes. Every research question ends with an analysis section where the findings are analyzed with help of theory and earlier research.

### 5.1 Why do organizations work with sustainability?

The first research question raised was, why organizations work with sustainability? The informants all explained their reasons why their organization work with sustainability, but it has come down to three themes that have come to influence all interview in why they work with sustainability; *Hygiene factor, trustworthiness and branding, and stakeholders.*

#### 5.1.1 Sustainability is seen as a hygiene factor

An interesting finding was crystallized from the interviews. Almost every informant brought up sustainability as a hygiene factor in the organizations. The most referred term of hygiene factor might come from the motivational researcher Frederick Herzberg and his literature how to motivate employees (Herzberg, 1968). The informants might refer to his type of explanation, but more likely they mean that sustainability is a primary activity and a basic operation in their organization. You always take care of your sustainability, much like you take care of your hygiene.

It is a hygiene factor, absolutely. If you cannot prove that you work with these types of questions in this industry, you will appear untrustworthy, that is how it is /.../ Hygiene factor says a lot I think, it is much like how you have to approach safety, the same mindset has to be applied in these types of questions. – Informant D

/.../ to run a business more responsible is something I think will grow, much like the environmental question that has become a hygiene factor now, you always take care of the hygiene because there is no other option. /.../ with hygiene factor I mean that it is something basic, something we have to work with because we will not be trustworthy as supplier else wise. – Informant B

/.../ if you claim that sustainability in some form has started to become a hygiene factor, then yes. – Expert

Since every informant mentioned sustainability in the same kind of way, as a hygiene factor, this might be an indicator that the organizations have been institutionalized with the concept of sustainability. A question was raised why they all use the term “hygiene factor” when describing their sustainability work? It might have become an institutionalized expression among sustainability and CSR actors to show how basic it has become, or perhaps the informants might have been influenced by the CSR organizations from where the list of informants derives from. If we ignore the word hygiene factor and analyze what the informants mean by it, the analyzing comes down to that organizations work with sustainability because it has become an integrated area in the organizations basic activities.

### **5.1.2 Trustworthiness and branding**

Why organizations work with sustainability has also been themed down to the importance of being trustworthy and to maintain a reliable brand. Some of the informants mentioned a growing awareness for environmental and social questions among customers, which raises the demands to focus on these areas. There are mostly two communication channels that influence and deliver information to the public attention about the organizations, affecting their trustworthiness, and that is the media and the Internet.

I do not think you can uphold a facade if it is not genuine. That is based on the fact that with Internet and social medias, you cannot hide things for so long. People see through it and it takes me five minutes to create a perception about a company. I just do a quick search on the Internet. –  
Informant C

Informant C explains that it is almost impossible for organizations to keep things from coming out in public. This might be because the globalization has brought with it an increased opportunity for less developed countries to use cell phones and Internet. This makes news and information travel quickly and the judgment from the general public is not far away. The expert answered the medial question with mixed emotion.

On the other hand is the media rather short sighted in its focus. But the thing is that it is almost only scandals, and I think it is sad that we never hear about good examples /.../ Many are worried

that Janne Josefsson<sup>1</sup> shall come and knock on the door and start asking uncomfortable questions.  
– Expert

Trustworthiness is about being responsible both outwards toward the customers but also inwards to your employees. Informant A explains:

Yes, a business value and you must have with you the fact that you have a brand that is worth a lot and you can very easily discard that if you let down the expectations that the customers and the employees have on you. – Informant A

This view is shared with informant C that explains that the object is to do more rights than wrongs to stay a trustworthy actor and employer.

The hard part is to really do everything as right as possible, so it does not appear to many errors, because you will lose your trustworthiness immediately in what you do. That might be our biggest challenge when we talk about sustainability, that how much we work with our suppliers we cannot be a hundred percent sure that it will not occur any errors. – Informant C

The study indicates that there are mostly the bigger organizations that are exposed to critic from medial attention. The bigger organizations usually have more suppliers, subcontractors and are operating internationally, which makes them a greater target. It is hard to control all actors in the supply chain, and it is usually there the scandals occur.

*./../ there are always a lot of difficulties when you reach that level, in that they are large global companies. Because it is very hard to maintain control over the whole organization, even if they have teams that work with sustainability. ./../ The bigger you get the harder it will be to connect and overview everything. But when you get abroad there is a lot of talk about supply chain, if you have a production so to speak. Supply chain will occupy a great piece of the sustainability work if you work globally. - Expert*

The quote above indicates that organizations with production and manufacturing mostly focus on the supply chain and the aspect connected to that area since it is there the biggest risks and problems might occur. There is a general view among the informants that the bigger you get, the more attention you will get and the harder it will become to control all the parts of the organization.

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<sup>1</sup> (Janne Josefsson is a famous Swedish journalist)



The higher you get, the more it blows – Informant C

The more global and international you get the more trickier it is to work with these questions, and much things that we in Europe takes for granted because it is regulated by laws, do not exist in many of the other countries. – Informant A

### 5.1.3 Stakeholders

The last theme that occurred through processing the data was the impact from the shareholders on the organizations' sustainability work. A stakeholder is a person that is engaged and financially interested in a company or an organization (nationalencyklopedin 2014-06-05). The most reoccurring stakeholders from the interviews were the *owners* and the *customers*.

#### 5.1.3.1 Owners

The study indicates that the owner has a lot of influence over an organizations' sustainability work. All organizations interviewed for this study has different owner-structures that seems to influence the organizations in various ways.

Organization A	Listed on the stock exchange
Organization B	Municipal owned
Organization C	Family owned
Organization D	A foundation

**Figure 6 - Owner structure**

Organization A has stocks that can be bought on the stock exchange list. The owner structure is therefor straggling with a wide range of owners. Informant A explained that their biggest owners are major foundations looking at a long-term ownership. Since foundations searches for stabile investments, sustainability is important in the long-term perspective for them. This makes sustainability an important aspect to invest in for the organization to attract old and new investors.

Organization A is a safe stock that pension funds like to invest in. If you ask the question if CSR is going to increase or decrease in the future, there are very few who thinks it is going to decrease.

And the companies actively working with CSR are considered to be long-term sustainable, that might not be a short bargain but stable to invest in long-term. – Informant A

In the example above, sustainability becomes an attractive aspect that indicates that the company is healthy and might be a good investment. If we look at Organization B, the informant explained they are owned by 10 municipals and they all have sustainability goals and demands set up for the organization.

Yes we work with this because our owners expect it from us, and it can be seen in our assignment from the owners that we shall work with an increased sustainable growth in the region. So it is printed in the assignment, and why we have it is because we shall contribute to sustainable development. – Informant B

Organization B works with sustainability because they shall contribute to a more sustainable region, and not to attract long-term stockowners like Organization A. Organization D does not even have any owners since they are a foundation, which make their sustainability work uninfluenced by the owners. Even though all three have dissimilar owner structures, influencing the organizations in different ways, they still work with sustainability. This means that the owners do not single handedly explain why organizations work with sustainability and it must probably be something else influencing the organizations, or something that creates a driving force.

### *5.1.3.2 Customers*

The customers were a topic that often reoccurred throughout the interviews. It is not hard to understand that activities and investments are influenced by the customers' demands and what they are requesting. Almost every informant interviewed shares this view on their organization:

*/.../ it is in relation to what the customers are requesting, and what the end customer demands. So the level of the work is balanced in relation to the others. – Informant A*

*/.../ it varies since some are heavily dependent to their customers, and says “our customers want us to work with this” and then we have to do it to keep them or attract them. – Expert*

One informant explained that the customer did not influence their sustainability in their organization, and it was Informant B. Their sustainability work was more influenced by the owners than the customers:

/.../ But not so customer driven I would say. We do not have direct customer demands on our sustainability work, although there are demands on social responsibility. You know how companies use child labor is not that fitting in our industry, but there are those types of questions.  
– Informant B

As we can see, the customer indicator does not either explain why all organizations are working with sustainability. So far the study indicates that there are several actors and aspects that influence organizations' sustainability work and why they are operating with it. In the next chapter, we will try to use our theoretical tools to explain what drives the organizations.

#### 5.1.4 Analysis

It is not a surprise that all the interviewed organizations work with sustainability for various reasons since they are completely different, and that was the point in selecting them. It is interesting to see that all organizations do work with sustainability independently of which field they operate in, which stakeholders they have or what size they are. This study indicates that sustainability possesses something that all organizations need, which might be the real reason why they work with sustainability. The results indicate that the institutional context, consisting of apprehensions, norms and expectations which determine which activities and systems that are legit to use (Jacobsen, 2002) have provided the concept of sustainability with legitimacy, which all the organizations need to survive.

New institutional theory explains these aspects as *sources of legitimacy*, which influence and shape the organizations, and all the organizations are dependant upon legitimacy to survive (Dowling & Pfeffer, 1975). The institutional context pressures organizations to work with sustainability because there is a public opinion about it. This dependability and pressure can be seen as a *coercive isomorphism* that has formed the organizations (DiMaggio & Powell, 1983) to work with sustainability. Pumas research is useful when trying to explain why the society takes such an interest in environmental and social issues, which are the most recurring topics.

.../The legitimacy of this group of individuals derives from members' access to decision-making institutions and from their ability to translate difficult scientific concepts into discussions of meaningful events with which the general public can identify and connect (Pumar 2005:80).

These type of scientific questions have been “translated” for the general public so that they now have knowledge how companies are affecting the environment and the social conditions for workers in other countries. People and organizations do not want to be associated with companies that do not take responsibility. Both Informant B and D share this statement:

Sustainability is something basic, something we have to do or else we are not a supplier to be count on. A company dumping waste somewhere is not a company someone wants to be associated with. You cannot make business with companies if you do not pay salary or discriminate your employees. So, it is a basic demand that is expected of you and if you cannot deliver that, you are not to be reckoned with. – Informant B

If you cannot prove that you work with this type of questions, then you are not trustworthy in this business at all. – Informant D

Meyer and Rowan explain that it becomes quite obvious when an organization lacks legitimacy, than if it has legitimacy, making the organization more exposed for attacks and comments (Meyer & Rowan, 1977). This means that if the organizations do not work with sustainability, or are working with it poorly, they might be criticized and disliked and will therefor lose legitimacy and as a final stage, go under. So as long as the institutional context provides sustainability with legitimacy, the organizations will continue to use it.

## **5.2 Have sustainability become institutionalized in organizations?**

This is the second research question, and might be seen as the main question. In the previous section we discussed why organizations work with sustainability. This section will try to explore if we might say that sustainability has become institutionalized in the organizations interviewed for this thesis. To be able answer this, we need to exemplify and analyze how they are working with sustainability and how those processes and shapes emerged. Two themes have processed and will be discussed below. The themes are *certifications and standards*, and *reporting*.

### 5.2.1 Certifications and standards

The reason why certifications and standards are a good way to tell if sustainability has become institutionalized is because to acquire them, the organizations need to adjust and review their operations to fit the standard they are after. A standard is a “determined norm that results in the form of a description, rule and recommendation for universal and repeated use” (nationalencyklopedin 2014-06-07). This means that if the organizations have obtained any certifications and standards, sustainability has become a repeated action in their organization, indicating that sustainability has become institutionalized.

Standards and certifications are commonly used among the interviewed organizations according to the study. It turns out that three out of four organizations have one or more certifications that are connected to their responsibility areas (environment, work environment etcetera).

*.../ and we started to structure the work again and took the decision to get certified toward Göteborgs Stads environmental diploma, and have had it since then. Today we have a diploma from the Environmental Department, as do other companies in Gothenburg. It is very common. – Informant D*

As we can see, Informant D claims that this type of certification is common among organizations in Gothenburg. The first assumption was that the certification might be mandatory since it is a municipal that provides it, but it turns out that it is voluntarily (Göteborgs Stad 2014-06-06). The wide use of this certification indicates that many organizations obtain certifications and standardizations without being forced to acquire them by laws and legalizations. This statement is backed up through Organization B that has obtained a lot of certifications through internal interests.

*.../ It is a long time ago. We started with the environment so we would get structure and order in our processes. It was not as a basic demand but we got certified toward it around 1999. The reason might have been because it was a very topical question, both the environment and the disposal question that goes hand in hand. After that we received a customer demand on quality certification and electronic handling. Mostly the certifications were built on an internal endeavor toward structure and order, except some requests from customers. After that we continued to build, and there was a certification toward work environment and we thought, why not, so we got that too. It was rather simple if you already had the management system. So not that much customer demands but rather an internal force. – Informant B*

Organization A is a global forestry company holding a lot of forest and lands, making them a big environmental actor. Informant A explains that they have environment in their blood and have had so ever since they started in beginning of the 1900:th century. The company has ISO 14001 certifications (environment) in many of their sawmills, and their forestry are certified according to the standard FSC (Forest Stewardship Council). Since Organization A is international, Informant A explains that they focus a lot on the supply chain in their sustainability work and use some tools to support their work.

We have roughly 40 000 suppliers to Organization A. It contains everyone from the company delivering smörgåstårter in Flen to the local office in Bostic, and such global suppliers. We have to focus on which ones we are working with, and have therefor been making a supplier segmentation on a global scale. /.../ Anyway, we are operating with CSR audits and it is SGS who helps us. And the CSR audits are built on the tool "Social Accountable 8000" and that is a standard that you can get certified towards. We do not demand that our partners to be certified, but since it is an auditable standard is it easy to use for control. It covers the global compacts, which are 10 fields when it comes to health and safety, the right to join unions, child labor, working time, salary and those critical aspects. – Informant A

So what about the fourth company that has not acquired any certifications or standards? It turns out that Organization C do not think that the customers will premier them for it (benefit them), against other companies. They believe that the customers (see section *stakeholders*) would not even notice if they get certified and therefor it is seen as a waste of time and money.

Organization C is not environmental- and quality certified for the simple reason that we do not think the customers will reward us for it in the future, over other companies. We do not think there is a demand for certifications. However, we work on the basis of practice around both the environmental certificate and social responsibility, and are currently producing our first sustainability report that will be for 2013 – Informant C

Since we explained in the beginning of this section that certifications and standards are a proof, or an indicator of that sustainability has become institutionalized through repeated actions creating patterns soon taken for granted (Eriksson-Zetterquist, 2009), we cannot yet say if sustainability has been institutionalized in Organization C since they do not acquire any.

## 5.2.2 Reporting sustainability

Reporting sustainability is also an indicator that displays how organizations work with sustainability activities on a regular basis. Among the four organizations, three are currently using a framework for reporting sustainability and the fourth explained that they will start using it in a near future. The framework being used is the GRI-guidelines (see chapter *A framework for sustainability*). Informant A explain that they are currently at GRI 3 and will soon go over to GRI 4:

Yes we are interested to acquire a high rating. /.../ I do not know exactly how it is being done, but we are audited due to our environmental report by Price Waterhouse Cooper and we have expressed that we are following the GRI-principles and they have approved us. – Informant A

It is interesting to see that Organization A is investing time and money trying to get a higher rate. They must believe that it will benefit them and that they will look more attractive if they climb the GRI-ladder. Informant B, whose organization also uses GRI believes that it will become more important to be able to show what you are doing with your sustainability work, and not just talk about it.

/.../ I think that there are things that will not be visible if you do not show it. Because of that, I believe that there will be expected of you that you are open and transparent with what you do. I do not know if it will be through sustainability reports or by updating data in the Internet, but in some way you must be able to show what you are doing, and in what areas. – Informant B

Informant D explained that they would start using the GRI-framework in a near future.

I have been wondering a lot about GRI, we are not currently doing it but I think we will use it soon, because it is a good way. It is a pretty severe accountability and is not something that you blow out of your nose. – Informant D

There seems to be a “sustainability reporting trend” where many companies are starting to present their sustainability work. As was mentioned in the *earlier research* section, the Swedish government has legislated that all state owned companies should report their sustainability with the help from GRI guidelines. There is a thought from one the informants that this might spread to include all companies, making them start reporting in a preventive way.

It is GRI that we use, the new standard, and I think it is very good. And now they are talking about legislate the standard. – Informant C

### 5.2.3 Analysis

Have sustainability become institutionalized in organizations? That is the question we have explored in this thesis. We cannot claim anything based on interviews with only four organizations, but what we can do is to see what this study has found.

We have discovered that all organizations are working with sustainability and that the informants perceive sustainability as something obvious and necessary to work with, like a hygiene factor. This is not enough to declare that sustainability has been institutionalized. What we have to look for are indicators pointing at institutional processes in the organizations. We know that the organizations are dependable upon their surrounding environment, and are gaining legitimacy from the institutional context where norms and expectations exist (Jacobson, 2009). This dependability to other organizations and cultural expectations has been brought up earlier, and are seen as a *coercive isomorphism* (DiMaggio & Powell, 1983). The study indicates that there are expectations from the institutional and technical context pressuring organizations to work with sustainability, but also to obtain certifications and standards. What the standards and certifications imply is that there has been an *institutional process*, making the organizations take on a certain shape or do a certain activity. A standard is, as was mentioned earlier, a norm created by repeated actions. According to Bryman & Luckman, actions repeated enough times becoming a pattern. When enough people are a part of that pattern, institutionalization emerges (1966 in Eriksson-Zetterquist, 2009).

When it comes to the sustainability reporting, it is a little different. Earlier research shows that sustainability reporting does not actually create sustainable actions within organizations (Borglund et al., 2010) making it hard to compare it to certifications and standards. But there is a scenario in the section above indicating that sustainability reporting might be seen as coercive isomorphism and a *response to uncertainty* (DiMaggio and Powell, 1983). Since sustainability reporting might be legislated to work with, for every company in the future, organizations might be using the GRI-framework in a preventive way. This type of influence and pressure from the government tend to form the organizations alike.



## **6. Discussion**

This chapter will first of answer the thesis's purpose and research questions, followed by a debate of this thesis's relevance and critic toward it. The chapter continues with a discussion of the connection between the study and the field of work science, and suggestions for further studies within this subject. A brief discussion of for whom this thesis might be of value for, will end this section.

### **6.1 Why are organizations working with sustainability?**

With the help from institutional theory, this study has discovered that sustainability provides organizations with legitimacy much needed to survive. When the organizations are working with sustainability, they get acknowledged and legitimated by the environment. Sustainability has become a hygiene factor in all organizations used in this thesis, which indicates that sustainability is here to stay. The informants talked about trustworthiness and branding, which are two important aspects why organizations work with sustainability. The Internet and the media are quick to report about pollution and bad working situations in less developed countries. Since the general public has an opinion about these types of questions, we are raising the demands on the organizations to work with these areas, making it a big part of the organizations sustainability work. You can build a brand for twenty years, and destroy it in five minutes if you do something that will destroy your legitimacy. It seems that the organizations interviewed in this thesis are working hard to maintain a good appearance and to prevent bad publicity from emerging.

### **6.2 Have sustainability become institutionalized in organizations?**

This study is built on six interviews, four of them with informants representing each organization. The other two were experts, providing external knowledge and are not a part of the results. This is far to few interviews to really determine if sustainability has become institutionalized, but if we proceed from the data we have collected, there are signs indicating institutionalization of sustainability in organizations.

First, the use of certifications and standards show that there has been some sustainable institutionalization in three of the four organizations. We count a sustainability standard, such

as an environmental certification, as an institutional process since a standard shows that the organization are working with sustainability on a regular basis to maintain the standard and the certificate. The activities required to get the certificate creates patterns that sooner or later will be taken for granted, and that is when institutionalization emerge. The fourth organization does not acquire any certificates or sustainability standards, making it hard to explain the institutional process why they are working with sustainability. This might be a case for further studies, to explore organizations without certificates.

Secondly, sustainability reporting is being used by three organizations and the fourth will soon start to use it. According to the interviews, it will become more important to be able to show how you are proceeding with your sustainability work in the future. This aspect unites the certificates and standards with the sustainability reporting, the importance of being able to proof and show how you are taking responsibility. When you are proving that you take responsibility you will gain legitimacy and stakeholders and customers want to be associated with you.

### **6.3 Critics**

Institutional theory explains why organizations take on certain forms and shapes and how trends or activities becomes institutionalized and taken for granted by the members of the institution. (Eriksson-Zetterquist, 2009) As a member and a part of the institutional process, you will unlikely be aware of the institutionalization itself, making it hard for the interviewer to receive a useful and objective answer. The interviewer has to ask the right questions to get a proper picture of how sustainability is used in organizations. When asking the informants, the questions could have been better to receive better empirical data for this study. Since institutional theory is rather advanced and sustainability is pretty undefined, it was difficult to know what questions to ask and how to approach the subject.

The use of four informants, which represents organizations with hundreds and thousands of employees, makes this study hard to generalize and to really draw any real conclusions from. Since this is a 10-weeks thesis there was a shortage of time for more interviews.

This study is unique in the way that it will not be able to be recreated, and the results will not be able to be exactly reproduced thanks to the specific circumstances under which the interviews were done. This study is also hard to generalize onto other social environments due

to its narrow sampling and field (Bryman 2008). Since sustainability is wide, consisting of different areas and organizations own definitions, it is hard to measure and compare sustainability studies to each other.

#### **6.4 Further studies**

This study must be backed up with more interviews, and with interviews targeting employees. The study has only been directing informants connected to sustainability, making the informants more aware of the on going processes. To really explore if sustainability has become institutionalized, interviews has to be done with informants working in all divisions asking them how they are operating with sustainability in their ordinary work.

Further studies can be done in the area of why organizations work with sustainability, as was brought up in the previous section. This is more interesting than what they are doing, since it is more comparable and can explain how all organizations are affected by on going trends and phenomenon.

#### **6.5 The connection to work science and the use of this thesis**

This thesis has touched a lot of areas connected to the field of work science.

Institutionalization is an important field to study since it can explain how organizations are adapting to its environment and why they take on certain characters and forms. Most people go to the same work every day for several years, not reflecting why they act as they do and why the workplace and culture looks like it does. By studying organizations and companies as institutions and living social systems, we can reach an understanding in why are acting both rational and irrational. The search and need of legitimacy can explain why organizations act as they do and why organizations tend to look the same.

The thesis is meant to illuminate why sustainability have reached the position it has today and how organizations adapts to trends and phenomenon without really thinking about it. This thesis can be of use for people and organizations to make them start reflecting why they act as they do. Are they implementing something of their own free will or are others indirectly affecting them? This thesis can hopefully make organizations start implementing projects and activities in a smarter way and make them quit playing “follow-the-leader”.

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## 8. Interview guide

(adapted to the informants)

**Position?**

**Field or industry?**

**Type of owner?**

**International operations?**

**How do you define sustainability? (What does sustainability consist of according to you?)**

**Why do you work with sustainability?**

**How long have you been working with sustainability?**

**When did you start working with sustainability?**

**How did the work proceed from the beginning?**

**Why did you start working with sustainability from the first place?**

**What have you been doing within the field of sustainability? (Certifications? Accounting?)**

**Who is your customer?**

**How do outer factors affect you? (Suppliers? Customers? Competitors?)**

**Do you see sustainability as an ongoing trend?**

**Do you think sustainability will become bigger and more settling in the future? (Recruitment? Procurements?)**

