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SCHOOL OF BUSINESS, ECONOMICS AND LAW

Bachelor thesis in Business Administration

Controlling Social Sustainability

- a study of the relation between motivations for social sustainability and
management control systems in the real estate sector

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Abstract

There is a growing consensus that sustainability must be part of future activities. Previous research indicates that the use of management control systems can push organisations in the direction of sustainability. However, little is known about a firm's motivation for engaging in this area and its use of management control to operationalise a sustainability objective. Additionally, there is an absence of research that focuses on the social aspect of sustainability. Following that, the aim of this study is to increase the knowledge about how organisations choose to design and use their management control system in order to operationalise their social sustainability objectives. Additionally, this study seeks to examine if there is a relation between, on the one hand, motivations to work with social sustainability and the design and, on the other, motivations to work with social sustainability and the use of management control systems. Six semi-structured interviews have been conducted with five different organisations in the real estate sector. The empirical findings have been structured by the use of a theoretical framework, which also served as a tool to find patterns. The study concludes that first, there is a wide range of management control systems used to operationalise social sustainability objectives. Second, there is a slight relation between the motives and the design of the management control systems, in particular the one between the motive for avoidance of economic losses and the presence of technical control instruments. Last, there is a minor relation between the motivations and the use of the management control systems. For the motive avoidance of social losses, the data indicate that fewer systems are used, in comparison to other motivations where all the levers are represented.

Keywords

Management control systems, sustainability, social sustainability, motivations in adopting decisions, real estate sector

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1. INTRODUCTION

This chapter aims to introduce the reader to the subject of the study. This constitutes a basis for the following problem discussion which culminates in two research questions. Finally, the aim of the study explains what the authors wish to attain and why research on this subject is important.

1.1. BACKGROUND

There is a growing consensus that sustainability must be part of future activities. Previous research indicates that the management of corporate social sustainability has the potential to facilitate organisational change (Arjaliès & Mundy, 2013), and it is also stated that the use of management control systems can push organisations in the direction of sustainability (Gond, Grubnicb, Herzige, & Moon, 2012). To be able to incorporate environmental and social activities into the organisation's strategic plans the management control system plays an important role (Adams & McNicholas, 2007; Gond et al., 2012). Yet, little is known about a firm's motivation for engaging in such activities and its use of controls to implement a sustainability strategy (Arjaliès & Mundy, 2013; Epstein & Buhovac, 2014).

The research area of diffusion offers a wide range of literature that seeks to explain why firms adopt new practices. Principally, the question comprises two approaches: organisations adopt new practices due to the technical or efficiency gains that is expected to be followed (Katz & Shapiro, 1987) or organisations imitate other organisations for legitimacy reasons (Meyer & Rowan, 1977; Abrahamson, 1991). An attempt of integrating these approaches is presented in the traditional two-stage model, suggested by Tolbert & Zucker (1983). This model shows that early adopters of new practices seek technical gains leading to improvement of economic performance, while later adopters are motivated by the social benefit of appearing legitimate. However, this model has been criticised for overgeneralising the logics of economic and social motivations (Lounsbury, 2007), and by arguing that economic and social motivations can coexist, Kennedy and Fiss (2009) extend this point of view, implying that they are not mutually exclusive.

In the research area of sustainability and management control systems emphasis tends to be put on the critical role of formal control systems as a means of measuring and valuating the effects of the social sustainability efforts (Epstein & Buhovac, 2014). However, there seems to be a lack of formal, technical control instruments (Conradsson & Gunnarsson, 2014; Wendin & Berg, 2015), and there are also findings implying that companies have difficulties tied to measuring sustainability (Durden, 2008; Lindahl & Sening, 2015; Arjaliès & Mundy, 2013). Following this, there are researchers who stress the lack of understanding regarding how informal control plays a role for implementing a sustainability agenda (Arjaliès & Mundy, 2013). Nevertheless, some research has shown that formal control until this point is not sufficient for controlling social sustainability. The reason to this is that the formal control system primarily supports the financial objectives. As a result, there seems to be a conflict between formal control systems that measures the financial objectives and the less formalised systems that measures the objectives tied to the area of sustainability. A confusion arises for managers who get directives to consider sustainability in every aspect, but what they typically are followed-up on is based on financial performance (Norris & O'Dwyer, 2003). Epstein, Buhovac and Yuthas (2015) extend this view by implying that financial initiatives are often measurable and focused on short-term effects, in contrast to social initiatives that more

frequently are characterised by uncertainty and long-sightedness. This makes it hard for the managers to perform well in both areas. However, although result show that organisations fail to identify sustainability indicators and present the outcomes of sustainability activities, the lack of such instruments can be appropriate for organisations with sustainability agendas based on legitimacy purposes (Arjaliès & Mundy, 2013).

Moreover, while there have been made several attempts to investigate the integration between sustainability agendas and the management control function and organisational strategy (Gond et Al., 2012; Battaglia, Passetti, Bianchi & Frey, 2016; Arjaliès & Mundy, 2013), there is an absence of literature that focuses on the social aspects of sustainability and how to implement it (Epstein & Buhovac, 2014). Additionally, previous studies indicate that there is an alleged uncertainty around the definition of the social aspect of sustainability and that are various opinions among the practitioners concerning whether it should be accounted for in the control system or not (Conradsson & Gunnarsson, 2014; Karlsson & Rundcrantz, 2015).

1.2. PROBLEM DISCUSSION

With regard to above mentioned concerns, this essay responds to recent calls in the literature for research of firms' motivations for engaging in sustainable activities and their use of control systems to implement a sustainability agenda. Additionally, in opposite to previous research, this study places particular emphasis on the social aspect of sustainability.

1.3. RESEARCH QUESTIONS

Following the previous argumentation, the research questions are: *How is social sustainability accounted for in management control systems? Is there a relation between motivations for social sustainability and the design and use of management control systems?*

1.4. AIM OF STUDY

The aim of this study is to increase the knowledge about how organisations choose to design and use their management control system in order to operationalise their social sustainability objectives. Additionally, this study seeks to examine if there is a relation between, on the one hand, motivations to work with social sustainability and the design and, on the other, motivations to work with social sustainability and the use of management control systems. Therefore, this study is of interest for stakeholders and practitioners who have interest for the integration of social sustainability and management control systems. Further, as the sustainability issue seems to only increase in extent and importance, this knowledge will be of particular value in the future.

2. FRAME OF REFERENCE

This chapter presents relevant theories on the chosen subject, which are utilised for the purpose of processing and discussing the data collected. First, the definition of management control, as it will be applied in this study, is presented. Second, frameworks for the design and use of the management control systems is explained, respectively. Thereafter follows definitions of sustainability in general and social sustainability in particular. Finally, a third model is presented, which in this context is utilised to illustrate motivations in the decision of adopting social sustainability as a practice. The chapter concludes with an overview of the framework employed in this study.

2.1. DEFINITION OF MANAGEMENT CONTROL

There is a wide range of definitions of the term management control system. This study adopts the wide definition stated by Merchant and Van der Stede: "Management control [...] includes all the devices or systems managers use to ensure that the behaviours and decisions of their employees are consistent with the organisation's objectives and strategies" (2012, p. 6).

2.1.1. The design of management control systems

Formal control instruments	Less formalised control	Organisational structure	Informative instruments
Samuelsson (2013), Frostenson (2010), Ax et Al. (2015)	Samuelsson (2013), Ax et Al. (2015)	Samuelsson (2013), Ax et Al. (2015)	Frostenson (2010)
Technical <ul style="list-style-type: none"> • Profit planning • Product calculation • Budgeting • Internal accounting • Standard costs • Transfer pricing • Performance measuring • Benchmarking • Process control • Target costing • Capital budgeting Non-technical <ul style="list-style-type: none"> • Policies • Codes of conduct • Ethical helplines • Incentive systems • Formal core values 	<ul style="list-style-type: none"> • Organisational culture • Learning • Empowerment • Values • Storytelling • Leading by example 	<ul style="list-style-type: none"> • Roles • Division of responsibilities • Mandates • Division of decisions 	<ul style="list-style-type: none"> • Dialogues on sustainability • Information sharing • Education on sustainability issues • Use of internal and external experts • Communicative instruments

Figure 1: Framework for the design of control instruments (summarised by the authors)

To be able to study the design of the management control instruments that are employed to control social sustainability objectives, a framework is used. The model gives many examples of control instruments and has a clear division of them, as displayed in figure 1. It is similar to the one that is used by Wendin & Berg (2015).

The framework is based on Samuelsson's model (2013), which includes three types of instruments aiming at reaching the organisation's overall objectives: formal control, organisational structure and less formalised control. Further, the top half of the formal instruments is described by Ax, Johansson and Kullvén (2015) to be of a more technical character in contrast to the rest of the instruments presented. In addition, this study employs one part of Frostenson's model: informative instruments. Moreover, several examples under formal and less formalised instruments are added to make the model more covering. In the model presented by Frostenson he proposes, for the first time in 2010, a division of the management control instruments that are used to control the sustainability issue in organisations. He divides the instruments into three categories; formal instruments, informal instruments and informative instruments (Frostenson, 2013). The informative instruments that are picked to be included in this framework include: a dialogue on sustainability initiatives, information disclosure, training in sustainability issues, use of experts internal and external and communication instruments.

2.1.2. The use of management control systems

In this report the researchers will use the levers of control framework, as applied by Arjaliès and Mundy (2013). This framework was originally developed by Simons (1995) and is in this context employed to describe the use of the management control systems.

According to Simons (1994, p. 170), management control system is "the formal, information-based routines and procedures used by managers to maintain or alter patterns in organisational activities". For the purpose of illustrating how a firm can compete and position itself compared to its' competitors Simons developed a framework, which captures four key constructs that must be understood and considered in order to reach a successful implementation of a strategy. Each key construct is connected to a different lever or system and these consist of: core values, risks to be avoided, critical performance variables and strategic uncertainties. Furthermore, Simons suggests that the levers can be clustered into four types of systems, based on the understanding of how and why they are used. The levers are explained below (Simons, 1995).

Beliefs systems: Formal systems that manage, define, communicate and reinforce the core values, the purpose and direction of the organisation. These can be exemplified by formal documents, such as credos, statements of purpose and mission statements. However, to be part of the belief system these documents need to meet the criteria of management control systems as described previously.

Boundary systems: Formal systems that communicate risks to be avoided, often comprising codes of conducts and strategic planning systems. The boundaries specify negative ideal, like establishing limits based on defined business risks. The author states that managers should direct the employees by creating guidelines saying what not to do. Thereafter they can rely on the creativity and opportunity seeking. In conclusion, the design of the boundary system is influenced by an analysis of the risks to be avoided.

Diagnostic control systems: Formal feedback systems which have the purpose of ensuring that predicable goals are achieved. Examples are business plans and budgets. The design of the diagnostic system is inspired by the analysis of critical performance variables. There are three features that distinguish diagnostic control systems: "(1) the ability to measure the

outputs of a process, (2) the existence of predetermined standards against which actual results can be compared, and (3) the ability to correct deviations from standards” (Simons, 1995, p. 59).

Interactive control systems: Formal systems which focus on strategic uncertainties and involve top managers engaging in decision activities which are usually managed by subordinates. All diagnostic control systems are possible to turn into interactive ones by continuous and frequent attention and interest from the top management. This is done in order to generate an attention, enforce a dialogue or to create a learning process in the organisation. The design of the interactive control system is influenced by the analysis of the strategic uncertainties.

For the purpose of also including the use of less formalised control systems, which are not covered in the formal systems described above, an additional system is referred to as less formalised control systems. These can coincide with the less formalised control instruments presented by Ax et Al. (2015) and Samuelsson (2013), although they can also include systems similar to those presented by Simons (1995) but failing his basic criteria for management control systems.

2.2. SUSTAINABILITY

2.2.1. Definition sustainability

The term sustainability was first coined in the year of 1987 in “Brundtlandrapporten” (UNWCED, 1987) and is today one of the most established definitions. The definition suggested is as follows: "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs".

The issue of sustainable development is usually divided into three categories: economic, ecologic and social. Ax and Kullvén (2015) claim that it is important to compass all of those aspects in order to achieve sustainable development. Companies are crucial agents, therefore a discussion around their responsibility for the development of the society is ongoing. Thus, the wide term Corporate Social Responsibility has been created.

2.2.2. Definition social sustainability

Social sustainability can be defined as the long-term process of building a stable and dynamic society where basic human needs are satisfied (Ax & Kullvén, 2015). The included dimensions vary, but usually cover aspects such as democracy, equity, human rights, gender, sexual orientation, ethnicity, culture and equality.

2.3. MOTIVATIONS FOR ENGAGING IN SOCIAL SUSTAINABILITY

In order to understand a firm’s motivation for engaging in social sustainability issues, the research field of diffusion is utilised, which in its actual context seeks to explain how administrative innovations are spread among companies. In this context, social sustainability is treated as one of those innovations. Usually, the approaches presented is delimited to when economic motives are argued for and in which cases social concerns are stressed (Tolbert & Zucker, 1983; Westphal, Gulati, & Shortell, 1997). The traditional two-stage model states that

early adopters of new practices seek technical gains leading to improvement of economic performance, while later adopters are motivated by the social benefit of appearing legitimate (Tolbert & Zucker, 1983). Kennedy & Fiss (2009) extend this point of view by arguing that economic and social motivations can coexist, implying that they are not mutually exclusive. Presented motivations for adopting innovations are presented below, in figure 2. Decision dimensions are mapped vertically whereas issue interpretation is mapped horizontally.



Figure 2: Motivations for adopting new practices (modified figure from Kennedy & Fiss, 2009)

An explanation to the motivation achieving economic gains is that adopters seek efficiency gains. In this case the organisations are motivated by an opportunity rather than a threat, and believes that an adoption of the trend will lead to an improved performance that creates competitive advantage. Another motivator connected to adoption decisions is the opportunity of social gains. In this case the aim is to distinguish itself by adopting the innovation and thereby maintain a high status compared to their competitors. Furthermore, the organisations motivated by achieving social gains try to see the opportunity to gain and increase legitimacy towards shareholders and thus gain a greater control over the environment.

The motive avoidance of economic losses can, accordingly, be explained as follows: when the practice expands and more companies adopt it, the competitive advantage tied to it diminishes. Consequently, disadvantages can arise for the companies that have not yet adopted the practice. Thus, a pressure for the organisations to embrace the trend emerges and it is seen as a threat not to follow. Further, avoidance of social losses can be a motive for late adopters. In this case, the adoption decision is rooted in the threat of not being perceived as social legitimate. Not adopting the trend at this stage could lead to an adverse impact on the reputation and that becomes the main motive for adopting the practice.

In addition to this, it is argued that the respective motivations have influence on the extent of implementation of the specific practice. If the declared motivation is based on the threat of economic or social losses the implementation will be limited to solely doing sufficient to avoid the effects of not being up-to-date. Conversely, a motivation to achieve gains is related to a more extensive implementation, which often involves training of management and employees, as well as using a wide spread of instruments.

2.4 SUMMARY OF THE FRAMEWORK

The frameworks describing the motivations for social sustainability, the design of the management control systems and the use of them are summarised in figure 3. The model illustrates how the management control systems can be designed and used to operationalise social sustainability objectives. Moreover, it shows how relations between, on one hand, motives and the design and, on the other, motives and the use of the management control systems can be observed.

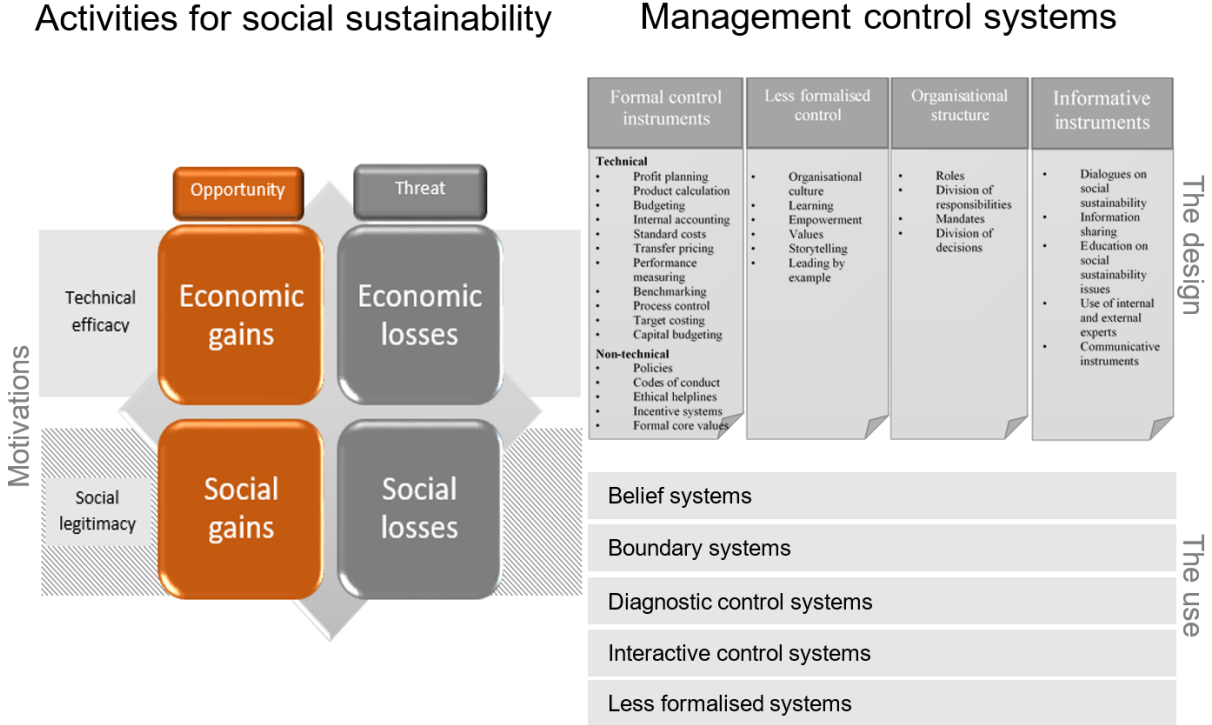


Figure 3: Overview of the study's frame of reference.

3. METHODOLOGY

This chapter presents the research method of the study, with the intention of making the reader well-informed about procedures and choices that have been made during the process of fulfilling the thesis. First, the research approach is presented, followed by a description of how relevant data was identified and selected. Thereafter follows a presentation of the process of selecting respondents, ending with an explanation of how the empirical material was prepared, collected and processed.

3.1. RESEARCH APPROACH

As this study seeks to increase the knowledge about how organisations choose to design and use their management control system in order to operationalise their social sustainability objectives, it is necessary to go beyond literature studies and conduct empirical research. This thesis takes a qualitative approach, which, according to Eriksson and Kovalainen (2008), is an effective method for gathering information that calls for great detail and depth. Due to the complexity of the studied phenomenon, the authors of this study are of the opinion that the requirements of the collected information would not be met through the use of alternative methods, such as surveys with a quantitative approach.

3.2. LITERATURE STUDY

In order to develop a frame of reference for this study, a literature review of secondary data has been conducted. This is information collected from external sources (Bryman & Bell, 2015), and comprises in this case scientific articles and reports, textbooks and other literature, such as student theses. The problem was initially approached by studying an article, suggested by the supervisor of the authors. From this, references to other articles on the subject were discovered, and relevant key words could be identified. Employed keywords include:

- Social sustainability
- Management control systems
- Sustainability AND management control systems
- Management accounting
- Diffusion models

These were used to make searches in databases, such as Business Source Premier, Science Direct and Google Scholar. For student theses, Gothenburg University Publications Electronic Archive was employed.

3.3. SELECTION OF RESPONDENTS

In the beginning of the study, various companies' websites were studied to get an overview of how companies in different industries approach the issue of social sustainability. This resulted in a decision to choose the real estate sector due to the fact that this was considered to be a branch of industry with large and direct impact on the formation of a society.

To select companies in the sector for the study a list of the fifty largest real estate companies in Sweden were reviewed, where the companies were sorted by the largest value of their properties and ongoing projects in Sweden (Fastighetsvärlden, 2015). Subsequently, the organisations' websites were scanned to be able to select the ones that expressed themselves to take a social sustainable responsibility. The websites also made it possible to examine the reported activities. The companies that were chosen go beyond what the laws and regulations require regarding issues as preservation orders of buildings, occupational safety and health, and anti-corruption. In their communication, they all distinguish the social aspect from sustainability in general, and communicate that they perform social activities and strive towards social sustainability objectives. At this stage it was decided that the real estate sector was relevant for the study since social issues were frequently mentioned on the websites.

Due to the fact that the study's main focus is on the management control processes, it was of interest to interview controllers who have insight and decision-making power in the control process. This choice was made as it was considered desirable to understand if and how social sustainability is integrated in the operations. A sustainability manager, for instance, would not be able to report how these objectives influence the controller function. Through the companies' websites, contact information to employees in the controller function was found. Thereafter, a contact list with twenty companies that met specific criteria were produced. The criteria consisted of not being directly public-owned and presenting social sustainability work on the website. The seemingly most suitable persons were contacted and asked if they were the most appropriate for the study or if they could propose someone more suitable. If they claimed to be appropriate, the next question would be if they were willing to do an interview. If they suggested another contact person, the researchers attempted to contact this person. A disadvantage with this method could be that people who, in fact, were appropriate for the study could pass on the question to a less suitable person if they, for instance, were under heavy work load. On the other hand, the advantages that this implied were that, given that the person was honest, the authors could find a more suitable respondent.

There were also cases when the interviewees estimated themselves to be in need of support from a colleague with deeper knowledge in the sustainability field. This was decided to be acceptable, since the scope of the study limited the authors' ability to perform further respondent search. Furthermore, after agreeing on a time for an interview, general information about the study and the main themes were sent to the candidates. An implication of this could be that the respondents can prepare and adapt answers according to how they want the organisation to be perceived. However, this choice was made in order to let the respondents reflect on the matter beforehand, and thereby be more prepared by the time of the interview. Table 1 illustrates an overview of the five companies and the candidates being interviewed in the study.

Company	Respondent	Type of real estate company	Main type of properties	Reported value of properties	Overview of the companies
AMF Fastigheter	Kenneth Allberg, controller	Real estate activities & real estate activities on a fee or contract basis	Commercial	43,3 billion SEK	<p><u>Founding year:</u> 1998</p> <p><u>Ownership structure:</u> Parent company is AMF Pensionsförsäkring AB, who in turn are owned by Svenskt näringsliv and Landsorganisationen</p> <p><u>Head office:</u> Stockholm (AMF, n.d.; AMF, 2016)</p>
Fabege	Åsa Lind, CFO	Real estate activities & renting and operating of own or leased real estate	Commercial	40,3 billion SEK	<p><u>Founding year:</u> 1946</p> <p><u>Ownership structure:</u> Publicity quoted</p> <p>Main owner: Erik Paulsson and family</p> <p><u>Head office:</u> Solna (Fabege, Om oss, 2016; Fabege, Fabege Årsredovisning 2015, 2016)</p>
Atrium Ljungberg	Lars Eriksson, project controller	Real estate activities & renting and operating of own or leased real estate	Commercial	30,8 billion SEK	<p><u>Founding year:</u> 1946</p> <p><u>Ownership structure:</u> Publicity quoted</p> <p>Main owner: the Ljungberg family</p> <p><u>Head office:</u> Nacka, Stockholm (Atrium Ljungberg, u.d.; Atrium Ljungberg, 2016)</p>
Stena Fastigheter	<p>Gunilla Wiberg, CFO Stena Fastigheter Göteborg</p> <p>Pierre Wennström, director for the consolidated account statement</p>	Real estate activities & renting and operating of own or leased real estate	Accommodations	30,6 billion SEK	<p><u>Founding year:</u> 1952</p> <p><u>Ownership structure:</u> Parent company is Stena AB who in turn are owned by the family Sten Olsson and partly owned by Concordia Maritime which is publicity quoted</p> <p><u>Head office:</u> Göteborg (Stena Fastigheter, n.d.; Stena AB, 2016)</p>
Vasakronan	<p>Anders Hellberg, concern controller</p> <p>Anna Denell, Director of Sustainability</p>	Real estate activities & renting and operating of own or leased real estate	Commercial	10,4 billion SEK	<p><u>Founding year:</u> 1995</p> <p><u>Ownership structure:</u> First, Second, Third and Fourth Swedish National Pension Funds</p> <p><u>Head office:</u> Stockholm (Vasakronan, n.d.; Vasakronan, 2016)</p>

Table 1: Overview of the selected companies. (Summarised by the authors, based on data from Retriever, the companies' websites and annual reports).

3.4. COLLECTION OF EMPIRICAL EVIDENCE

3.4.1. Preparing and conducting the interviews

In preparation for the interviews, the authors made the decision to conduct semi-structured interviews. This implies the process of following a checklist of issues that is intended to be covered during the session (Bryman & Bell, 2015). This choice allowed the researchers to adjust follow-up questions to the received correspondence, and let the interviewees speak freely on the chosen topics while still controlling the information collected. Themes, and corresponding sub-questions, were therefore prepared in advance and summarised in an interview guide. Due to the nature of the chosen interview technique, this guide could be used for all of the interview situations. The social sustainability objectives and activities were attached individually for each company. However, there were no questions specifically aiming at explaining the performed activities. Conversely, they aimed to exemplify and ease the work of naming instruments to control them.

Furthermore, all of the organisations' webpages and annual reports were studied and, in those cases accessible, the latest published sustainability reports. This served as a basis for the researchers' understanding of the organisations, ownership structures and presented social sustainability activities and objectives. The interviews took place at the organisations' respective head offices. This can have affected the results in two ways. Either, the respondent can sense the feeling of being supervised, and therefore answer according to what they think is desired from higher levels in the organisation. Or, the familiar environment of the office can contribute to more straight-forward answers. The two researchers were equally involved in the process of asking questions, as all of the interviews were approved to be recorded, which in turn implied that none of the researchers were dedicated to taking notes exclusively. Immediately after the interviews, the dialogues were transcribed. Further, in line with Jacobsen (2002) suggestions, both researchers wrote down their thoughts from the interview as a help in the later process if any uncertainties would arrive. The researchers were also offered to e-mail any further questions to the respondents.

The interview guide was developed simultaneously as the frame of reference. To be able to answer our research questions the interview questions were broken down into more comprehensive questions adjusted to practitioners. To structure the interview guide, inspiration was gathered from Jacobsen (2002) who gives suggestions for how to start an interview. Accordingly, the interview structure should include the name and the background of the respondent, background and the aim of the study and how the information will be used. The background information of the respondent is there to give a better understanding of the answers from the interviewee.

In order to obtain similar conditions for all of the interview situations, models were presented for the respondents. First, the definitions of management control and social sustainability was made clear. In the purpose of not getting stuck in the discussion about the objectives or performed activities and spend more time on motivations and the management control systems, communicated activities and objectives for the respective organisations were prepared by the authors in advance. In order to give concrete examples of instruments that can be used to control social sustainability, a framework for the design of management control systems was shown. The map was assembled from different authors, and has also been used in

a previous study conducted by Wendin and Berg (2015). The interview guide concludes with a question that opens for other additions by the respondent, as suggested by Jacobsen (2002).

To fulfil the aim of examining a possible relation between, on the one hand, motivations to work with social sustainability and the design and, on the other, the use of the management control system, the interviewees were shown the model of motivation, presented by Kennedy and Fiss (2009). To prepare for possible interpretation problems, a list with characteristics for each motive was brought to the interviews.

3.4.2. Processing the material

In the process of finding covered themes and subjects in the interviews, the transcribed material was sorted in Excel. Inspired by Mundy & Arjaliès (2013), first-order codes were used in order to discover themes from the empirical material. Further, second-order codes were employed to label what type of control system the mentioned instruments would correspond to, according to the framework for design and use. Similarly, if the material covered the question regarding motivations, it was determined what type of motive that the argumentations would correspond to. As suggested by Jacobsen (2002), this was done individually and thereafter compared and discussed in order to avoid interpretational misunderstandings. As different interpretations of the motivations were revealed, the distinctions between the respective motivations were discussed further with the researchers' supervisor. As it was notably difficult to get the respondents to talk about the motives it was critical that the characteristics for each motivation was fully clarified for the researchers. After the discussion with the supervisor, the coding of the motivations turned out the same for both researchers. However, at this point it was also discovered that the empirical material from one of the companies was not sufficient to make a classification of the motivation. A second interview, this time by telephone, was conducted. This time, an additional respondent was present who provided the researchers with a broader material to answer the question. After producing the text of the empirical findings, the authors sent out the concerned parts to the candidates, in order to ensure that information was correctly interpreted. For the purpose of finding patterns of the organisations' motivations and management control systems, with respect to both the design and the use, the theoretical framework and an additional table, included in the appendix, were deployed.

4. EMPIRICAL FINDINGS

This chapter presents the empirical findings gathered in the interviews. The data is initially summarised in a table and thereafter presented one company by one, on basis of the study's focus area of motivations for social sustainability and management control systems. Each company section consists of one segment presenting the utilised management control system, and one segment presenting the motivation for social sustainability work. The chapter concludes with a summary of the identified similarities and dissimilarities for the design, use and motives.

Company	Motivation	Control instrument	Design	Use
Atrium Ljungberg	Achieve economic gains	Formal core values	Non-technical formal control instrument	Belief system
		Division of responsibility	Organisational structure	Belief system
		Policies	Non-technical formal control instrument	Boundary system
		Dialogues on social sustainability	Informative instruments	Interactive control system
		Incentive system	Non-technical formal control instrument	Diagnostic control system
		Organisational culture	Less formalised control	Less formalised system
AMF Fastigheter	Avoid social losses	Formal core values	Non-technical formal control instrument	Belief system
		Education on social sustainability issues	Informative instruments	Belief system
		Policies	Non-technical formal control instrument	Boundary system
		Codes of conduct	Non-technical formal control instrument	Boundary system
		Dialogues on social sustainability	Informative instruments	Interactive control system
Vasakronan	Achieve economic gains	Formal core values	Non-technical formal control instrument	Boundary system
		Internal code of conduct	Non-technical formal control instrument	Belief system
		Division of responsibilities	Organisational structure	Belief system
		Communicative instruments	Informative instruments	Belief system
		Policies	Non-technical formal control instrument	Boundary system
		Dialogues on social sustainability	Informative instruments	Interactive control system
		Organisational culture	Less formalised control	Less formalised system
Fabege	Achieve economic gains	Formal core values	Non-technical formal control instrument	Belief system
		Dialogues on social sustainability	Informative instruments	Belief system
		Education	Informative instruments	Belief system
		Policies	Non-technical formal control instrument	Boundary system
		Codes of conduct	Non-technical formal control instrument	Boundary system
		Organisational culture	Less formalised control	Less formalised system

Stena Fastigheter	Avoid economic losses	Formal core values	Non-technical formal control instrument	Belief system
		Division of responsibilities	Organisational structure	Belief system
		Communicative instruments	Informative instruments	Belief system
		Policies	Non-technical formal control instrument	Boundary system
		Dialogues on social sustainability	Informative instruments	Interactive control system
		Information sharing	Informative instruments	Interactive control system
		Budgeting	Technical formal control instrument	Diagnostic control system
		Organisational culture	Less formalised control	Less formalised system

Table 2: Overview of the empirical findings.

4.1. ATRIUM LJUNGBERG

4.1.1. Control systems used to operationalise social sustainability

As seen in table 2, for Atrium Ljungberg, there are two types of control instruments included in the belief system. The respondent from Atrium Ljungberg states that formal core values are communicated to the employees, as a way of explicitly stating what the organisation stands for. A division of responsibility is actively used to divide the social sustainability work, and it is stated that the decision of what to focus on comes from the board of directors. Accordingly, the managers of the various departments have the responsibility of inform their respective unity and form groups that drive the work towards the goals that have been agreed upon. This is equally done through all the subordinate levels. Boundary systems are levered through the use of policy-documents, which forms a framework for employees when presenting proposals for social initiatives.

Atrium Ljungberg uses an employee survey to control and develop social strategies. Based on results from this, there has recently been a particular focus on how to improve the equality within the organisation. This has, according to the respondent, been a successful process with many covered discussion topics such as how to give functional impairment colleagues the same opportunities as anyone else. This dialogue on sustainability is used in an interactive way. The respondent describes a collaboration with a non-profit organisation and that it is planned to be an organised run where the non-profit organisation will collect entry fees that will be forwarded to children in need. Entry fees will be payed by the individual employees, but in preparation for this, the management of Atrium Ljungberg has committed to double the amount and contribute with one extra entry fee for every employee that participate. This is done in order to motivate the employees to achieve their self-determined goals formulated together with their managers. Since the goal is clear and one is able to measure its outputs, this form of incentive system is used as a diagnostic process.

The organisational culture in general, and the openness in particular, is claimed to be critical for Atrium Ljungberg, as suggestions from employees on how to work with the area of social sustainability are critical for the work to be successful. In this organisation, the business culture also contributes to the minimisation of the number of workplace accidents, as the building regulations are, allegedly, not always sufficient. The respondent states that due to their culture, there is no one that would skip the helmet or violate any other rules. Overall, it is

claimed that the organisation is more controlled by less formalised systems, rather than explicit control instruments, and thus, the work of steering the organisation towards social sustainability cannot merely be explained by the use of explicit control systems.

4.1.2. Motivations for social sustainability work

The respondent from Atrium Ljungberg states that since the shareholders require return on the money, the activities performed must be based on the intention of making profits. The social activities are believed to be a contributor to the positive evolvement of competitiveness. Emphasised effects of engaging in social activities include the facilitation of recruitment processes, as more competent employees can be attracted, as well as the extra revenues that can be identified when creating a mix of tenants and visitors in the commercial areas. In addition to this, some activities in themselves, such as offering newly arrived refugees simple work tasks in the shopping centres, is stated to contribute to the improvement of the overall product of the visit. This, in turn, contributes to positive development of the area, and thus an increased demand of the properties. Hence, Atrium Ljungberg sees the opportunity of adding value to the firm and are motivated by the opportunity of economic gains.

4.2. AMF FASTIGHETER

4.2.1. Control systems used to operationalise social sustainability

The belief system at AMF Fastigheter comprise two instruments, as seen in table 2. First, formal core values are communicated to their employees. Second, there is an education in sustainable development which includes the social aspect, and is given when employees start at the company. This is an occasion when they get introduced to the ethics in the company. Boundary processes at AMF Fastigheter are levered through the use of policy-documents and codes of conduct where acceptable and proscribed behaviours of employees and explicit demands on suppliers are communicated. For the purpose of controlling and developing social strategies AMF Fastigheter carries out a materiality analysis where the social aspect of sustainability is included. In this way, a dialogue with the stakeholders can be achieved in purpose of receiving suggestions on focus areas in the future. Since this is a way to identify opportunities in relation to the social sustainability area, this is an interactive system.

4.2.2. Motivations for social sustainability work

As AMF Fastigheter operates on behalf of the parent company AMF Pensionsförsäkring, and forms part of the portfolio that seeks stable returns, it is stated to be critical that AMF Fastigheter delivers positive returns. However, the social sustainability activities currently affect the positive side of the balance sheet only vaguely, and only compose a cost in the income statement. Despite this, there is a belief in the organisation that these activities in the long run will contribute positively to the result. In the year of 2009, a market research was conducted in purpose of examining how companies in the sector managed the sustainability issue. At that time, AMF Fastigheter referred to this area as the environmental work. Conclusions from the market research was that other real estate organisations had expanded their focus area from environmental issues to the more comprehensive concept of sustainability, where all three aspects were included. On basis on this AMF Fastigheter

realised that in order to stay legitimate, it was crucial to expand the perspective into also including the social aspect. The pressure from the external surroundings and the fact that it is claimed to be a current topic indicate that the main motive is to avoid social losses.

4.3. VASAKRONAN

4.3.1. Control systems used to operationalise social sustainability

In the case of Vasakronan, the belief system is composed of three instruments. This is illustrated in table 2. First, the formal core values, included in the internal code of conduct, is a contributor to how their corporate culture and unwritten values develop, and therefore also which social sustainability activities are suggested and later performed. Second, a division of responsibility is actively used to divide the social work at Vasakronan. The different entities are all encouraged to suggest activities and explain how their department can contribute. This is equally done through all the subordinate levels. Last, the belief systems are levered through the use of communicative instruments. The respondents from Vasakronan explain how a map for internal use, has been developed. This is an illustration of what the company wants to achieve with the city and everything that they engage in, socially. The map is used as a communicative instrument for the employees to understand what is important for the company. Moreover, the map has been used and discussed in workshops.

The respondents state that an internal code of conduct is used to communicate ethic guidelines and values. These are described as a prerequisite for any organisation that is geographically dispersed, as the emergence of local cultures otherwise can be a risk. In this context the formal document serves as a declaration of how the organisation states their view in societal matters, and thus decreases the risk of local interpretations. Correspondingly, emphasis is put on the importance of having a formal document to refer to in the case of an employee overstepping a certain boundary. The interactive processes at Vasakronan are mainly performed through the use of dialogues on sustainability. Namely, the employee survey serves as a way to gather ideas and inspiration of what activities could be performed.

The respondents from Vasakronan lastly also stress that the work of steering the organisation towards social sustainability cannot merely be explained through the use of explicit control instruments. Emphasis is put on the value of an accurate business culture, and the respondents state that there must be preconditions that allow employees to work with social issues. For this work to be successful there cannot be any fundamental disagreements as to which values are supported in the organisation and the decisions desired to be made. Additionally, the respondents representing Vasakronan claim that their existing culture, unlike the previous one that was present eight years ago, is open for employees to contribute with suggestions for social activities. There is such thing as “example-activities” communicated by the management, but there is a common understanding that it is equally justified to execute other activities, given that there is a belief that they are aligned with the overall social objectives.

4.3.2. Motivations for social sustainability work

The overall mission at Vasakronan is stated to be derived from a demand of the owners and consists of delivering a stable and high return with respect to people and the environment. In the company there is a belief that everything they do within the frame of sustainability

actually also leads to better financial results. Despite the fact that activities are sometimes performed for social legitimacy reasons, the main motivator lies in the financial effect. One example of this is a newly developed bike concept, which is claimed to be uncertain to contribute to direct returns but is believed to give financial income in the future, both directly and indirectly in form of better competitiveness.

The external and internal communication of the social sustainability work is important for the company, since it is, allegedly, a way of profiling themselves. Such profiling will lead to more contracts with local authority as well as an overall stronger brand image which will lead to financial effects. Attracting and maintaining employees is one argument to why Vasakronan chooses to work for social sustainability. They want to create a strong feeling towards the company, and being active within the area of the social sustainability is said to be crucial for this. The respondents do not emphasise other real estate companies' pressure as a main motive for their social sustainability work. Conversely, it is to get competitive advantage and thereby, economic profit. Consequently, the main motive for Vasakronan to work with social sustainability issues is achieving economic gains.

4.4. FABEGE

4.4.1. Control systems used to operationalise social sustainability

At Fabege, the belief systems are evident in three control instruments, as illustrated in table 2. First, formal core values are communicated to share core values to employees. Second, the respondent from Fabege states that formal discussions are employed, usually in form of conferences, where ethical and other dilemmas are debated. In this way, a shared vision of how societal issues should be dealt with can be established, something the organisation refer to as the "Fabege guts". "Although we have an external framework to consider, in form of laws and rules in the society, we want an even more narrow internal framework, a shared gut feeling", Lind States. Moreover, the respondent explains how education is held regularly, covering various social sustainable issues. Boundary systems at Fabege are used in form of policies and codes of conducts as a way communicating appropriate behaviours regarding the social sustainability work.

The less formalised systems at Fabge is covered in the organisational culture. In this case, the work with societal issues is claimed to be based on a genuine interest among the employees. This has been embraced by the management team and is presently in the process of being embraced by the board of the company. The benefit of this is said to be the extent of the employees' engagement. If managed properly, the employees will engage due to the issue's importance rather than the pressure from the management team.

4.4.2. Motivations for social sustainability work

At Fabege the motive for working with social sustainability is mostly the opportunity of economic gains. First, to be able to answer the questions from stakeholders in a better way and spread the work that Fabege does within sustainability, they gathered the competence internally. Thus, this was seen as a possibility to achieve competitive advantages. The respondent points out that the main motive to why they do social sustainable activities is that there is an interest and passion within the company. Moreover, they have a belief that

dedicated and proud employees in the company will turn into financial profits. The interviewee explains that the effect is that everybody does a better job and that Fabege becomes a more attractive workplace. Continually, the interviewee also strengthens the motive to be getting better economic profit, by explaining that working with these issues is a way of attracting big tenants, as they also have a demand from their stakeholders.

Another important stakeholder is the suppliers, the worry about what would happen if it would be revealed that Fabege hired suppliers who have been doing something unethical. Consequently, Fabege's image would be damaged and that could lead to an economic loss. Therefore, the organisation ensure that social sustainability is considered for both first and second tier suppliers. It is argued that it is something that they work actively with and hence they have come a long way compared with the rest of the real estate sector. Thus it can be argued that it is a competitive advantage and an economic gain that drives the work with ensuring that the suppliers make efforts to contribute to the social sustainable way. To conclude the main motive for Fabege is the opportunity of economic gains.

4.5. STENA FASTIGHETER

4.5.1. Control systems used to operationalise social sustainability

At Stena Fastigheter, the belief systems are evident in three control instruments, as seen in table 2. First, formal core values are communicated to establish a shared vision of how social sustainable work should be performed. Furthermore, a division of responsibility is employed. Decisions concerning what social sustainable activities to engage in is made by the management, although ideas and inspiration come from the outside of the company. The concern's strategic plan includes social sustainability objectives that are meant to be employed at different levels in the organisation. Each entity sets their own objectives and the local activities are planned and set up from those objectives, which are in line with objectives at concern level. Finally, communicative instruments are used in order to ensure that as many employees encounter the values in as many ways as possible. The Gothenburg department at Stena Fastigheter works with a booklet where the objectives and values concerning the social sustainability are included. "We have goals that we really work with and follow up during the year with all the employees" expresses Wiberg. The booklet is said to serve communicative purposes and is widely distributed throughout the organisation. Boundary systems are levered through the use of policy documents.

Interactive processes are at Stena Fastigheter, evident in the use of workshops and talks on the social aspect of sustainability. For educational purposes, experts are invited to talk about different subjects with the employees in order to create participation, discussions and ideas of how to step forward and develop the social sustainable strategies. Moreover, discussions are being held with the organisation's contractors with the intention of influencing them to act in a more social sustainable matter, for example taking internships. Moreover, collaborations with external organisations are coordinated in order to expand the consciousness of this area even more.

Stena Fastigheter also use diagnostic processes when including social sustainability in their budget work. A fixed amount of money is allocated to their "management of relations" programme. This is done, allegedly, to demonstrate the importance of societal issues for the

subordinates and to make such work legitimate. The respondents of this organisation argue that unless this is done, there is a risk to affect other critical performance variables which consequently could affect the entities engagement in social projects.

The use of less formalised systems is observable in the organisational culture. The respondents from Stena Fastigheter state that much is “ingrained in the walls”, and that there is a certain expectation, both from management and the owner that the organisation shall work with social issues. How much social matters are included in the operations is, reportedly, determined by individual drive, and therefore a certain set of norms is of major importance.

4.5.2. Motivations for social sustainability work

Initially, the respondents from Stena Fastigheter explain that within the organisation, there is a will to contribute to a prosperous society. Further, it is expressed that there is a relation between the engagement in social activities and economic effects, and that usually, there is an economic aspect in all activities performed. However, in relation to the model for motivations, the main motive for engaging in social sustainable issues is risk for economic losses. This motivation is derived from various parts of the interview. The respondents express that not working with social sustainability can lead to the loss of tenants or not being picked by local authorities when land or properties are sold. It is also explained that when engaging in social activities, such as assisting young people to get summer employments, they can improve the tenants’ well-being. In this way, tenants will continue taking care of the properties, and Stena Fastigheter can avoid unnecessary costs of maintenance.

4.6. IDENTIFIED SIMILARITIES AND DISSIMILARITIES

The main motive for social sustainability work for three of the real estate companies in the study is the opportunity of economic gains. In fact, these companies declare that it gives them competitive advantages as they profile themselves and thus can achieve a greater profit. In contrast to this, one of the companies is motivated by the threat of economic losses. It is argued that the fear of not working with social sustainability is a threat of losing negotiating power. Additionally, the fifth company is motivated by the avoidance of social losses, as they declare that they need to take social sustainability issue in consideration to not lose legitimacy. Finally, it is also noted that no company is motivated by the opportunity of social gains.

Concerning the design of the management control systems all of the respondents, with the exception of AMF Fastigheter and Fabege, utilise an evenly distributed set of instruments for controlling social sustainability. One of the systems that are not included within the control instruments at AMF is less formalised control instruments, in contrast to the other studied companies. Moreover, all of the organisations use informative and non-technical control instruments. As seen in appendix C, the rates for non-technical control instruments do not differ notably much, except for Stena Fastigheter whose proportion is less, compared to the other companies. Additionally, this is the only organisation deploying a formal and technical control instruments.

Regarding the use of the management control system, AMF and Fabege is limited to three levers, in contrary to the rest of the companies employing a more uniformly dispersed use.

The less formalised uses of control are present in all of the companies, except for AMF Fastigheter. This is also evident for Faberge, for the interactive processes. A distinguishing feature is that Stena Fastigheter and Atrium Ljungberg are the only companies utilising diagnostic processes.

5. DISCUSSION

This chapter consists of a discussion performed on basis of the empirical findings and the employed frame of reference. It opens with a summary of the overall findings. Continually, to be able to reach conclusions and answer the research questions, a discussion is held about the results; to begin regarding the relation between the motivation and the design and to conclude regarding the motivation and the use. The discussion takes form on basis of the motivations, and each of those sections are accompanied by a figure of the implications those have on the management control system.

5.1. OVERALL FINDINGS

This study has sought to answer the research questions: *How is social sustainability accounted for in management control systems? Is there a relation between motivations for social sustainability and the design or use of management control systems?*

The aim has been to increase the knowledge about how organisations choose to design and use their management control system in order to operationalise their social sustainability objectives. Additionally, this study has sought to examine if there is a relation between, on the one hand, motivations to work with social sustainability and the design and, on the other, motivations to work with social sustainability and the use of management control systems.

The study shows that there are different motives for working with social sustainability. Three of the companies report a motive derived from the opportunity-seeking of economic gains. In these cases, the companies declare that working with social sustainability gives them competitive advantages. One company is motivated by the threat of economic losses and the complication of a decreased negotiating power that would follow if not engaging in social issues. Last, one company is motivated by the threat of social losses and report anxiousness of not being perceived as legitimate. Common for the companies motivated by the threat of losses is that they report external pressures to have played a significant role when the decision for engaging in social sustainability issues was made.

Concerning the relation between, on one hand, motivations for social sustainability and the design and, on the other, motivations and the use of management control systems, some relation has been identified. This is mostly associated with the design of the management control systems, rather than the use of them, although some patterns have been identified in that matter as well.

5.2. RELATION BETWEEN MOTIVATIONS AND THE DESIGN OF MANAGEMENT CONTROL SYSTEMS

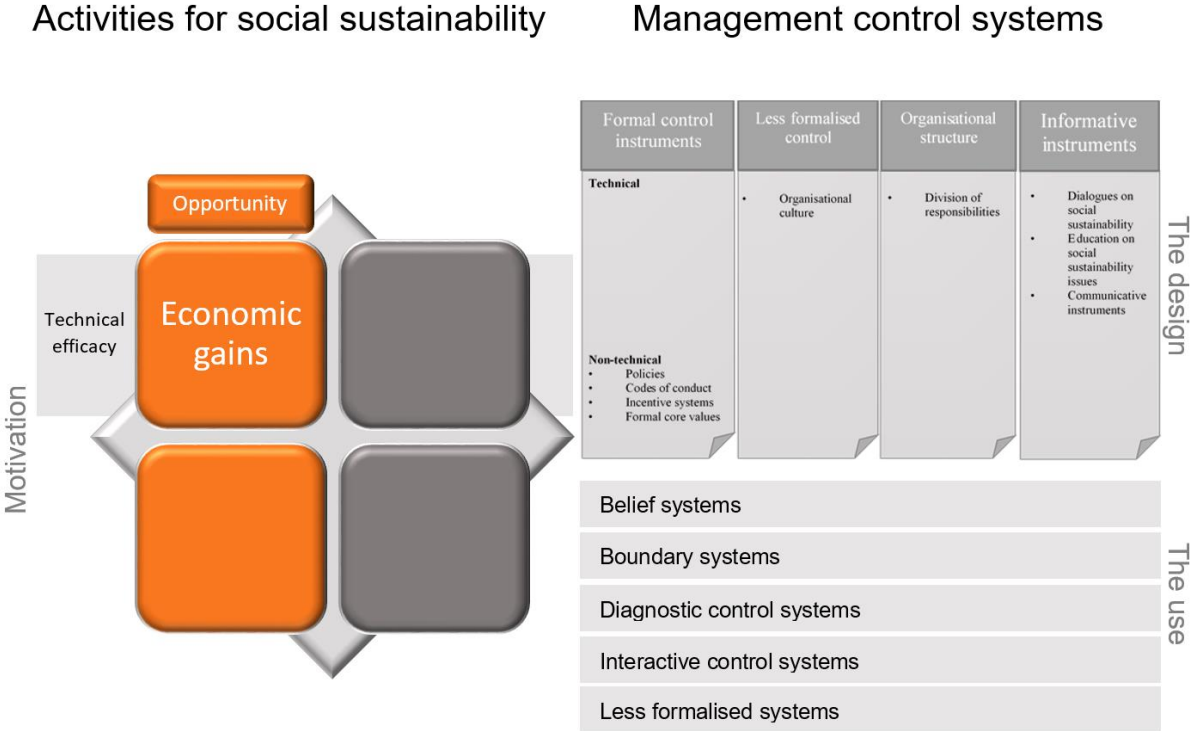


Figure 4: Overview of implications on management control systems for achieving economic gains as main motivation (Developed by the authors)

As seen in figure 4, for the companies motivated by the opportunity of economic gains, there is a tendency to include various types of control instruments in the system, with the exception of technical formal control instruments. The biggest proportion of instruments are found among those of a non-technical nature included in the formal control instrument. Adopting Kennedy and Fiss’ (2009) view, this would imply a somewhat extensive implementation, as this is characterised by education for employees and managers along with a wide distribution of employed management control instruments. Given this, it can be argued that organisations motivated by the opportunity of economic gains work more intensively with implementation, which is well in line with findings by Kenney and Fiss (2009), suggesting that organisations motivated by achieving gains are more eager to execute a deep implementation.

Regarding the lack of formal, technical control instruments this is evident also in previous studies of the sustainability area in general (Conradsson & Gunnarsson, 2014; Wendin & Berg, 2015). As suggested by Arjaliès and Mundy (2013), Durden (2008), Conradsson and Gunnarsson (2014), and Lindahl & Sening (2015), this could be due to the difficulty of measuring and using financial terms in relation to this area. If the motive is based on the assumption of the competitive advantage that working with this area brings, it can be discussed how the lack of concrete evidence on the outcomes of the performed activities affect the work. On one hand, one can assume this to be a limiting factor that hinders successful work. On the other hand, as is evident in the empirical findings, the lack of technical evidence can be compensated by accurate values among the employees as this seems to reduce the demand of concrete outcomes.

Activities for social sustainability

Management control systems

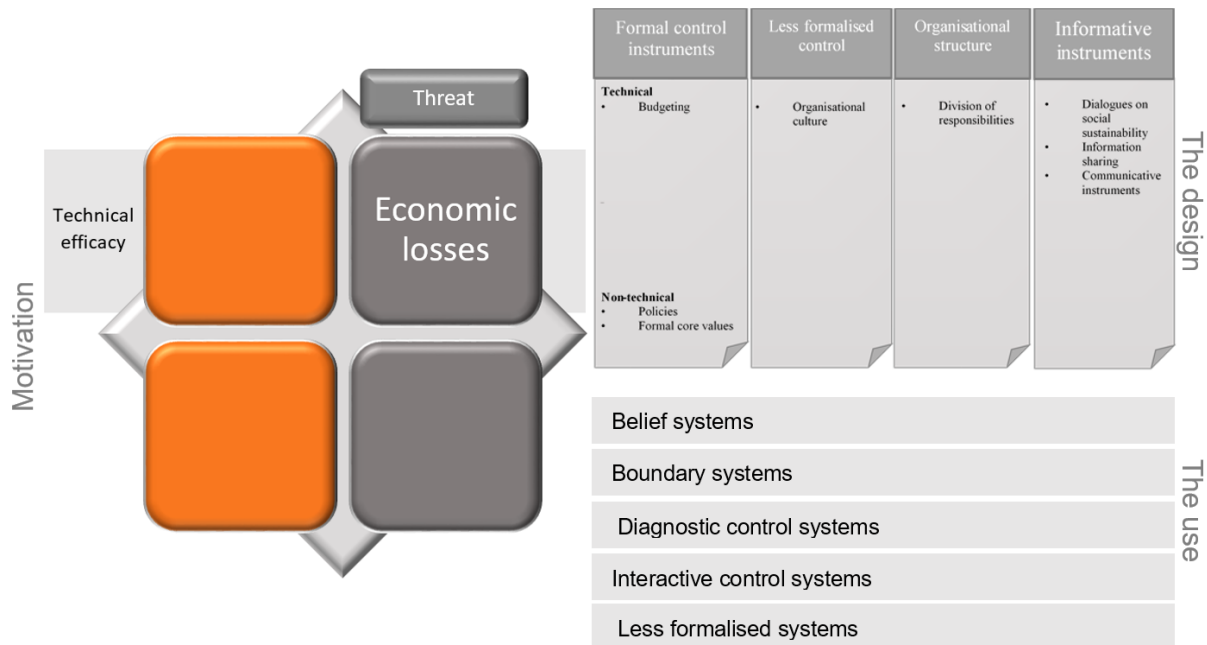


Figure 5: Overview of implications on management control systems for the avoidance of economic losses as main motivation (Developed by the authors)

The patterns that can be identified for the implications on the design of the management control system for a company motivated by the threat of economic losses is visualised in figure 5. According to the result, the control instruments tend to be of various types and to be evenly distributed. In contrast to the findings derived from the companies motivated by other motives, a formal technical control instrument is present. This instrument comprises a budget which explicitly addresses social sustainability, allegedly in order to make sure a given amount of money is used for such activities.

As previously mentioned, Kennedy and Fiss (2009) suggest attributes of an extensive implementation to be education for employees and managers, and the fact that a wide distribution of management control instruments is employed. In addition to this, conclusions include that a motivation of avoiding losses is associated with working less hard to implement the new practice. Therefore, the fact that the company motivated by the threat of economic losses use a wide spread of management control instruments, includes a technical type of instrument and arranges talks and dialogues on social sustainability is surprising and not in line with previous findings.

A possible explanation to this is that if a company is motivated by the avoidance of economic losses, they will be more concerned to ensure that the activities are performed, as they believe that they otherwise could suffer economic losses. As reported, this can be done by the use of a budget process in which money are allocated for social purposes. In this way, the organisation reduces the risk of being out of step and the threat of economic losses.

Activities for social sustainability

Management control systems

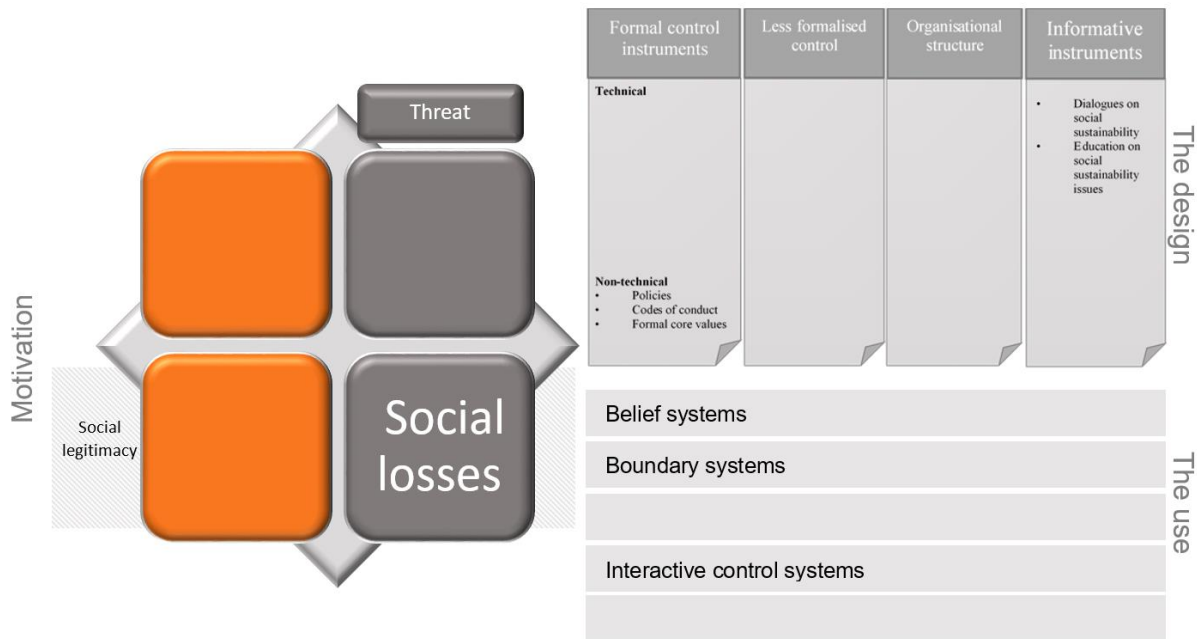


Figure 6: Overview of implications on management control systems for the avoidance of social losses as main motivation (Developed by the authors)

According to the empirical findings, when motivated by the threat of social losses companies tend to include a smaller selection of control instruments. More specifically, the control instruments used are of a non-technical nature, included in the formal instruments, along with informative control instruments, as seen in figure 6. As this case includes a characteristic of a less extensive implementation, and the fact that this applies for companies motivated by a threat, this is somewhat in line with Kenney and Fiss' (2009) suggestions of implementation extents.

5.3. RELATION BETWEEN MOTIVATION AND THE USE OF MANAGEMENT CONTROL SYSTEMS

Given previous argumentation, the study shows that there is a relation between motivations for social sustainability and the design of management control systems. There is a wide range of management control instruments used to operationalise social sustainability objectives, but the dominant ways to use them are by means of interactive, boundary and less formalised processes, along with belief systems. Diagnostic processes are not yet as evident in the use for controlling towards social sustainability. Regarding the relation to the motivations, there seems to be a certain degree of difference between the motives for engaging in social issues and the use of the management control system.

In detail, the companies that are motivated by achieving economic gains tend to lever their control instruments mostly by the use of belief systems. Another pattern that can be seen, derived from one case, is the use of a diagnostic system. In this case it is present in an incentive system for managing individual health goals. The other context in which diagnostic processes are visible is when the organisation is motivated by the threat of economic losses.

In similar to the discussion conducted previously, the diagnostic processes can serve as a means to avoid losses. Moreover, it is reasonable to see that companies motivated by achieving economic gains are eager to manage performance as they are fundamentally motivated by increasing the competitiveness.

Finally, the results indicate that there are distinguishing characteristics for companies that is motivated by the threat of social losses. All the levers are used, with the exception of the diagnostic and the less formalised processes, as seen in figure 6. These results are in line with those suggested by Arjaliès and Mundy (2013): when the purpose for adopting a new trend is to avoid reputational losses, there is no need to include diagnostic systems. In fact, leaving out such systems is purposed to be appropriate for organisations whose aim is to implement the new practice for legitimacy reasons. Given this, the finding regarding the implications of the use for a company motivated by the threat of social losses, seems to be in line with the theory.

During the process of the study, it has become evident that the motives for adopting social sustainability can go beyond those presented by Kennedy and Fiss (2009). For instance, key stakeholders can possess such power that they constitute main motives for engaging in social sustainability activities. This has previously been examined by Abrahamson (1991), who suggests the term forced selection for describing the power of internal and external stakeholders. For the case of this study, this would imply different classifications for the motivations, as several respondents claim to conform to demands from local authorities and owners.

6. CONCLUSIONS

This chapter focuses on concluding and summarising the previous chapters. The research questions are answered and contributions are presented, in relation to the aim of the study. Finally, the study's limitations are discussed and suggestions for further research are given.

6.1. CONCLUDING COMMENTS

This study has sought to increase the knowledge about how organisations choose to design and use their management control system in order to operationalise their social sustainability objectives. Additionally, this study has sought to examine if there is a relation between, on the one hand, motivations to work with social sustainability and the design and, on the other, motivations to work with social sustainability and the use of management control systems. The research questions have been: *How is social sustainability accounted for in management control systems? Is there a relation between motivations for social sustainability and the design or use of management control systems?*

First, the results suggest that there is a wide range of management control systems used to operationalise social sustainability objectives. In line with earlier studies (Durden, 2008; Lindahl & Sening, 2015), there seems to be a lack of technical control instruments when controlling social sustainability. Second, the results suggest that there is a slight relation between the motives and the design of the management control systems. For the threat of economic losses, the findings indicate that technical control instruments can be identified, as opposed to the remaining motives. This result is not in line with prior research conducted by Kennedy & Fiss (2009), suggesting that motivations based on the opportunity of gains is associated with extensive implementation and vice versa for the threat of losses. In the case of avoiding social losses, prior research is somewhat in line with the findings, reporting a smaller width of the employed management control instruments. Last, there seems to be a minor relation between the motives and the use of the management control systems. For the motive avoiding social losses, the data indicate that the identified levers include belief systems, boundary control systems and interactive control systems, as opposed to the other motives where all the levers are represented.

This study contributes to existing literature in two ways. First, it could be the first study that gives a descriptive contribution of motives to adopt social sustainability practices and which implications they have on the design and use of the organisation's management control system. The study shows that there are differences regarding, on the one hand, the relation between the motives and the design and, on the other, the motives and the use of the instruments which implies that in future research, both areas should be considered. Second, the study contributes to how the frame of reference, developed by Kennedy and Fiss (2009), can be applied in a context of examining motivations for social sustainability and its implications on the management control system.

6.3. THE STUDY'S LIMITATIONS

Although this study takes a methodical approach, a number of limitations is acknowledged. First, the findings indicate that a broader framework than the one presented by Kennedy and

Fiss (2009) is required when seeking to understand organisations' motivations for engaging in social sustainability issues. More specifically, it would be desirable to employ a framework that considered the external and internal pressure that can be executed on a firm. Second, the sample of organisations is of a relatively small size which calls for special caution when relying on the results without conducting further research. Third, while a qualitative method is useful for a detailed understanding of the practices in a company, this design precludes a fully comprehensive view of the performed practices, as the responses are influenced on individual experience and knowledge of the subject. This is of particular importance as the respondents selected are of various professional titles. Although this might affect the comparability, this was a decision made due to time restriction. Likewise, the researchers had to agree to respondents requesting support from other functions in the organisation, such as a sustainability manager.

6.4. SUGGESTIONS FOR FURTHER RESEARCH

For future research, it would be of interest to examine how social sustainability is accounted for in management control systems in other branch of industries and contexts. More specifically, it would be fruitful to examine how firms with operations in other countries, in particular developing countries, would contribute with new perspectives on this matter. Another idea is to conduct a similar study with a sample of publicly-owned real estate companies to examine if the results would differ.

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APPENDIX

APPENDIX A - INTERVIEW GUIDE

Purpose with the interview:

We are to examine:

- How organisations employ management control systems to control social sustainability objectives
- If there is a relation between motives for work for social sustainability and the design or use of the management control systems

Explanation of the arrangement of the interview:

1. The respondent's title and responsibilities within the organisation
 2. Quick presentation of definitions
 3. Presentation of social sustainability objectives/activities in the organisation
 4. Why they have been initiated
 5. How management control instruments have been developed in purpose of supporting social sustainability activities/project
- Other questions about the study or the arrangement of the interview?

The interview

1. The respondents title and responsibilities within the organisation	
How would you describe your role?	<ul style="list-style-type: none"> - Responsibilities and organisational entity? - Responsibilities associated with the management control system - Responsibilities associated with the sustainability work
How long have you been in this position?	
2. Quick presentation of definitions	
<u>Definition social sustainability:</u> "Social sustainability can be defined as the long-term process of building a stable and dynamic society where basic human needs are satisfied. The included dimensions vary, but usually cover aspects such as democracy, equity, human rights, gender, sexual orientation, ethnicity, culture and equality." (Ax & Kullvén, 2015)	
<u>Definition management control system:</u> "Management control systems include all the devices or systems managers use to ensure that the behaviours and decisions of their employees are consistent with the organisation's objectives and strategies." (Merchant & Van der Stede, 2012)	
3. Presentation of social sustainability objectives/projects in the organisation	(Demonstration of the sheet presenting objectives and example activities performed in the organisation) <ul style="list-style-type: none"> - Is there anything else you would like to add? - Decisions that have been made but not yet been realised?
4. Why they have been initiated	
Why were these objectives/projects initiated?	(Presentation of the framework for motivations)
5. How management control instruments have been developed in purpose of realising/supporting social sustainability objectives/activities	
What control instrument do you use in order to realise these	(Presentation of the framework for the design of the

objectives/ensure that these kind of activities are initiated?	management control systems) <ul style="list-style-type: none"> - Which purposes do you have with these instruments? - How are these employed in order to enable the function of the management control system?
6. (If applicable) Hinders for using more formalised control instruments	
What do you think is the reason to why more formalised/technical control instruments are not employed for controlling social sustainability?	<ul style="list-style-type: none"> - No role for this type of controlling? - Why does the control of the social sustainability objectives differ from other objectives in the organisation?
7. Conclusion	
Is there anything you would like to add that we have not yet covered?	

APPENDIX B – OVERVIEW OF THE INTERVIEWS

Organisation	Respondent(s)	Title	Date of interview, duration time, type of interview
Atrium Ljungberg	Lars Eriksson	Project controller	2016-04-25 58 min Personal interview
AMF Fastigheter	Kenneth Allberg	Controller	2016-04-25 1 h 18 min Personal interview
AMF Fastigheter	Kenneth Allberg Michael Eskils	Controller Director of Sustainability	2016-05-22 15 min Telephone interview
Vasakronan	Anders Hellberg Anna Denell	Concern controller Director of Sustainability	2016-04-26 1 h 10 min Personal interview
Fabege	Åsa Lind	Chief Financial Officer	2016-04-26 56 min Personal interview
Stena Fastigheter	Gunilla Wiberg Pierre Wennström	CFO Stena Fastigheter Göteborg Director for the consolidated account statement	2016-04-27 49 min Personal interview

APPENDIX C – OVERVIEW OF THE EMPIRICAL MATERIAL

Company	Motivation	Control instrument	Design	Use of management control system	Proportion of technical formal control instruments	Proportion of non-technical formal control instruments	Proportion of less formalised control	Proportion of organisational structure	Proportion of informative instruments	Proportion of belief systems	Proportion of boundary systems	Proportion of interactive systems	Proportion of diagnostic systems	Proportion of less formalised systems	
Arrium Ljungberg	Economic gains	Formal core values	Non-technical formal control instrument	Belief system											
		Division of responsibility	Organisational structure	Belief system											
		Policies	Non-technical formal control instrument	Boundary system	0/6	3/6	1/6	1/6	1/6	2/6	1/6	1/6	1/6	1/6	
		Dialogues on social sustainability	Informative instruments	Interactive control system											
		Incentive system	Non-technical formal control instrument	Diagnostic control system											
		Organisational culture	Less formalised control	Less formalised system											
		Formal core values	Non-technical formal control instrument	Belief system											
		Education on social sustainability issues	Informative instruments	Belief system											
		Policies	Non-technical formal control instrument	Boundary system	0/5	3/5	0/5	0/5	2/5	2/5	2/5	1/5	0/5	0/5	
		Codes of conduct	Non-technical formal control instrument	Boundary system											
AMF Fastigheter	Social losses	Dialogues on social sustainability	Informative instruments	Interactive control system											
		Formal core values	Non-technical formal control instrument	Belief system											
		Internal code of conduct	Non-technical formal control instrument	Boundary system											
		Division of responsibilities	Organisational structure	Belief system											
		Communicative instruments	Informative instruments	Belief system	0/7	3/7	1/7	1/7	2/7	3/7	2/7	1/7	0/7	1/7	
		Policies	Non-technical formal control instrument	Boundary system											
		Dialogues on social sustainability	Informative instruments	Interactive control system											
		Organisational culture	Less formalised control	Less formalised system											
		Formal core values	Non-technical formal control instrument	Belief system											
		Dialogues on social sustainability	Informative instruments	Belief system											
Faberge	Economic gains	Education	Informative instruments	Belief system	0/6	3/6	1/6	0/6	2/6	3/6	2/6	0/6	0/6	1/6	
		Policies	Non-technical formal control instrument	Boundary system											
		Codes of conduct	Non-technical formal control instrument	Boundary system											
		Organisational culture	Less formalised control	Less formalised system											
		Formal core values	Non-technical formal control instrument	Belief system											
		Division of responsibilities	Organisational structure	Belief system											
		Communicative instruments	Informative instruments	Belief system											
		Policies	Non-technical formal control instrument	Boundary system											
		Dialogues on social sustainability	Informative instruments	Interactive control system	1/8	2/8	1/8	1/8	3/8	3/8	1/8	2/8	1/8	1/8	
		Information sharing	Informative instruments	Interactive control system											
Stena Fastigheter	Economic losses	Information sharing	Informative instruments	Interactive control system											
		Budgeting	Technical formal control instrument	Diagnostic control system											
		Organisational culture	Less formalised control	Less formalised system											