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The emergence, evolution and embedding of sustainability accounting in a family business

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This study extends and deepens our understanding of why and how organisational sustainability activities and accounting unfold and embed over time. It presents a longitudinal case study examining the emergence and evolution of an environmental management system, environmental management accounting, sustainability reporting, and a sustainability programme in a large, family-owned group of companies. The case analysis is theoretically framed using the concepts of organisational identity and internal legitimation.

The study reveals an enduring interplay between the organisation's sustainability programme and its organisational identity and internal legitimation processes. It demonstrates how key participants in the sustainability programme used a variety of strategies to seek legitimacy for the programme from internal audiences and powerful stakeholders while also engaging in their own legitimacy (re)evaluations. While prior research has identified a set of strategies for establishing external legitimacy, this study finds that legitimating 'identity talk' is an important additional mechanism in the process of establishing internal legitimacy for new organisational activities.

In contrast with prior research, the study uncovers how external sustainability reporting can be a by-product of other sustainability-related activities rather than an organisation's primary medium (or output) of the process of engaging with sustainability. The study shows how despite a highly supportive organisational environment, external sustainability reporting may be weakly and temporally legitimated within an organisation rather than institutionalised.

Through the Looking Glass: The Emergence, Evolution and Embedding of Sustainability Accounting in a Family Business

Rebecca Maughan

**Through the Looking Glass:
The emergence, evolution and embedding of sustainability accounting in a
family business**

ACADEMISCH PROEFSCHRIFT

ter verkrijging van de graad van doctor aan de Universiteit van Amsterdam

op gezag van de Rector Magnificus prof. dr. ir. K.I.J.Maex

ten overstaan van een door het college voor promoties

ingestelde commissie,

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Dedication

For Alan, Matthew and Naomi, with love.

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Abstract

This study extends and deepens our understanding of why and how organisational sustainability activities and accounting unfold and embed over time. It presents a longitudinal case study examining the emergence and evolution of an environmental management system, environmental management accounting, sustainability reporting, and a sustainability programme in a large, family-owned group of companies. The case analysis is theoretically framed using the concepts of organisational identity and internal legitimation.

The study reveals an enduring interplay between the organisation's sustainability programme and its organisational identity and internal legitimation processes. It demonstrates how key participants in the sustainability programme used a variety of strategies to seek legitimacy for the programme from internal audiences and powerful stakeholders while also engaging in their own legitimacy (re)evaluations. While prior research has identified a set of strategies for establishing *external* legitimacy, this study finds that legitimating 'identity talk' is an important additional mechanism in the process of establishing *internal* legitimacy for new organisational activities. In contrast with prior research, the study uncovers how external sustainability reporting can be a by-product of other sustainability-related activities rather than an organisation's primary medium (or output) of the process of engaging with sustainability. The study shows how despite a highly supportive organisational environment, external sustainability reporting may be weakly and temporally legitimated within an organisation rather than institutionalised.

List of Acronyms

CCRPI	CC Retail Partners Ireland
CCWS	CC Wholesale Services
CSR	Corporate Social Responsibility
DJSI	Dow Jones Sustainability Index
EAT	Environmental Action Team
EMS	Environmental Management System
GRI	Global Reporting Initiative
FMCG	Fast Moving Consumer Goods
KPIs	Key Performance Indicators
NGO	Non-Governmental Organisation
NI	Northern Ireland
OI	Organisational Identity
ROI	Republic of Ireland
UNWCED	United Nations World Commission on Environment and Development

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Chapter 1: Introduction

They've communicated on the environment and sustainability quite poorly, they had a lot to talk about and a very, very good story to tell over the years and a genuine story to tell as opposed to a media story and they haven't done it and I don't know if they ever will. (I2, R1)¹

A rapidly increasing number of corporations claim that they are integrating sustainability² concerns into their strategic and operational decision-making processes (Thomas and Lamm, 2012) and are producing sustainability-related accounts and narratives (Gray, 2010). However, internally legitimating and embedding new sustainability activities (including sustainability accounting³) within an organisation is a challenging, complex and under-researched process (Thomas & Lamm, 2012; Frandsen et al., 2013; Contrafatto, 2014). Organisational members such as employees, managers, and directors evaluate the legitimacy of new organisational activities (Drori & Honig, 2013; Elsbach, 1994; Maclean & Behnam,

¹ Denotes interviewee one, round one of the interviews undertaken for this study. A description of the interviewees and their related codes is contained in Appendix B.

² Sustainability within this study is considered at an organisational level and is broadly defined as “actions that organisations might undertake in accordance with the principles of sustainable development.” (Bebbington and Larrinaga, 2014, p. 396). These actions can be seen to fall along a continuum, reflecting a weak or strong approach to sustainability. Weak sustainability is concerned with a pragmatic and restrictive business case rationale for sustainability, with actions limited to win-win opportunities such as eco-efficiency and design for the environment (Thomas and Lamm, 2012; Thomson et al., 2014). Strong organisational sustainability would “require firms to operate individually and collectively in such a manner that the planet’s carrying capacity is not exceeded ... Overall value creation would be the over-riding imperative even if substantial portions of that value were in the form of social and environmental capital (i.e., positive externalities)” (Thomas and Lamm, 2012, p. 194).

³ The phrases *accounting for sustainability* or *sustainability accounting* are used here as broad terms to encompass accounts or narratives of business sustainability (Gray, 2010) that may be produced for either external or internal audiences. This type of accounting includes carbon accounting, corporate social reporting, corporate environmental reporting, corporate sustainability reporting, environmental management accounting, energy costing, full-cost accounting, shadow accounts, biodiversity audits and the sustainable balanced scorecard (Bouten and Hoozée 2013; Thomson et al., 2014). Sustainability-related information for external audiences can be published through a variety of channels including corporations’ annual reports, standalone reports or websites.

2010; Ruef & Scott, 1998). These internal legitimacy evaluations affect their level of commitment to, and active support of these activities (Weaver et al, 1999; Maclean & Behnam, 2010). Gaining internal or member-ascribed legitimacy (Brown & Toyoki, 2013) is crucial to the embedding of a new set of activities or programme within an organisation (Weaver et al., 1999; Human & Provan, 2000; Basu & Palazzo, 2008; Maclean & Behnam, 2010; Thomas & Lamm, 2012). However, new organisational activities or programmes⁴ often face a deficit of legitimacy (Aldrich & Fiol, 1994; Bridwell-Mitchell and Mezas, 2012). The legitimacy deficit of a new programme is particularly acute where the programme has few precedents, its objectives are unconventional or contested, and the technologies being used or the outcomes of the programme are uncertain or risky (Aldrich & Fiol, 1994; Suchman, 1995; Golant & Sillince, 2007). Given the complex, multi-levelled and contested nature of sustainability and accounting for sustainability (Gray, 2010), new corporate sustainability programmes are likely to be susceptible to internal legitimacy deficits. The main aim of this study is to develop an empirical and theoretical understanding of how and why a sustainability programme, including environmental management accounting and sustainability reporting, emerged, evolved and became partially embedded within a large commercial organisation. More specifically, it aims to provide an understanding of the interplay between different aspects of the sustainability programme and the interactions between the programme and the organisation's internal legitimation process.

The organisation in question, the CC Group⁵, is a large, Irish, family-owned group of companies operating in a fast moving consumer goods (FMCG) industry. This research, based on a longitudinal case study, traces the emergence and development of the Group's sustainability activities between 1998 and 2012. The Group started to develop its environmental management system, including environmental management accounting

⁴ For purposes of this study an organisational programme or process is viewed as a set of organisational activities related to a particular function or objective of the organisation (Maclean and Behnam, 2010). In the case of the CC Group's sustainability programme, these activities include the day-to-day environmental management, environmental management accounting, CSR activities and external sustainability reporting.

⁵ The case company has been anonymised at the discretion of the researcher with the aim of protecting the anonymity of the interviewees and is referred to as the CC Group or the Group.

practices, in 1998 and published its first standalone environmental report several years later. It had no existing expertise in this area and there were few precedents (in an Irish context) to follow. Engaging with environmental management involved new technologies (at least to the Group) and the outcomes were perceived as uncertain and risky by senior members of the CC Group. There was little active internal support for the new activities: “it just did not interest anyone” (I6, R1). However, over time active internal support for the environmental management system grew and it became embedded and diffused throughout the CC Group. It was aligned with the company’s long-standing corporate social responsibility (CSR) activities, and a coherent sustainability programme emerged. This process is now seen as part of the Group’s DNA and has weathered the recent economic crisis in Ireland largely unscathed. As part of this overall sustainability programme, environmental management accounting has become embedded within the Group. However, as the sustainability programme garnered internal support, backing for independently assured external sustainability reporting faded considerably.

This chapter introduces the research objectives, theoretical framework and research method for the study in Sections 1.1 to 1.3 respectively. This is followed by a discussion of the research contributions in Section 1.4 and an overview of the thesis structure in the final section.

1.1 Research Intent and Questions

The study, from its outset, was motivated by a core, open-ended research intent (Berry and Otley, 2004, p. 235) to evidence, understand and explain the emergence, evolution and embedding of a sustainability programme within the CC Group. Stemming from this, the study addresses the following research questions related to the CC group:

1. Why and how did an environmental management system emerge and evolve between 1998 and 2003?
2. Why and how did a sustainability programme evolve and embed between 2003 and 2012?
3. Why and how did external sustainability reporting grow and subsequently decline between 2001 and 2012?

These research questions are addressed by tracing the emergence, evolution and embedding of these activities and programme within the CC Group between 1998 and 2012.

1.2 Theoretical Framework

The study mobilises two theoretical concepts – organisational identity (OI) and internal programme legitimacy. For the purpose of this study organisational identity is conceived as encompassing: a set of ‘identity claims’; an enacted identity; and ongoing ‘identity work’ to establish or maintain the identity claims. *Identity claims* are statements about an organisation’s core, enduring and distinctive characteristics. *Enacted organisational identity* consists of the claims employed by an organisation in social interaction and can vary over time and with the audience and organisation member involved. *Identity work* is concerned with the ongoing maintenance, reconstruction or regulation of organisational identity in mature organisations (Gioia et al., 2010; Pratt, 2012). Internal programme legitimacy is seen as an ongoing set of individual and social processes that manifests in an apparent collective acceptance by organisation members that an organisational programme is, to some extent, desirable, proper or appropriate within the organisation’s framework of norms, values and beliefs. Using these concepts, the study seeks to evidence, understand and explain the emergence of new organisational activities and their evolution into a new organisational programme in the CC Group between 1998 and 2012.

Organisational identity is an important construct in understanding the direction and persistence of both individual and organisational action (see, for example, Dutton and Dukerich, 1991; Gioia and Chittipeddi, 1991; Gioia and Thomas, 1996; Albert et al., 2000; Ravasi and Schultz, 2006; Brickson, 2007; Nag et al., 2007; Basu and Palazzo, 2008). Organisational identity claims can be used by organisation members to filter and respond to internal or external issues (Dutton and Dukerich, 1991; Dutton et al., 1994). In conjunction with this, OI work can be used to relate the new process to “who we are, who we have been and who we wish to become” as an organisation. This can be highly motivating for organisation members (Gioia et al., 2000; Gioia and Patvardham, 2012; Pratt, 2012; Kodeih and Greenwood, 2014). In addition, organisational identity work is consequential in that it can make certain courses of action seem more plausible, justified or acceptable (Mueller and Whittle, 2012). Internal legitimacy also has an important role to play in the acceptance of new activities and processes within an individual organisation. Internal organisation members

(directors, managers and employees) make their own legitimacy evaluations about their organisation and its activities that affect their level of commitment to that organisation or activity (Elsbach, 1994; Ruef and Scott, 1998, p. 880). Recent work suggests that there are overlaps between the two concepts which should be considered when seeking to understand how new organisational activities evolve and embed (Bridwell-Mitchell and Mezas, 2012; Brown and Toyoki, 2013). Thus, both organisational identity and internal programme legitimacy are mobilised within this study as part of an interpretive guide to capture and understand how a new (sustainability) programme unfolds within an organisation.

1.3 Research Methods

The study adopts an interpretive approach to examine the emergence of the sustainability programme over time within a specific organisational context. Interpretivist research seeks to “keep a holistic focus, emphasising cases ... as complex entities and stresses the importance of context” (Della Porta and Keating, 2008, p.30). The research process for the study employed qualitative methods as part of an open-ended longitudinal inquiry with the objective of obtaining rich, detailed and evocative data (Edmondson and McManus, 2007) to provide insight into the CC Group’s engagement with sustainability. This iterative approach to research design, data collection and analysis, and to developing the theoretical grounding for the study, supported the project’s initially open-ended research intent and broad aim of understanding how the CC Group’s engagement had unfolded (Edmondson and McManus, 2007). The primary data sources for the case study were 27 semi-structured interviews carried out with a range of organisation members and closely connected stakeholders (family directors and retailers) and the sustainability reports published between 2001 and 2012. These were supplemented by additional documentary analysis and field visits.

The external sustainability reports provided a formal narrative that explained the company’s motivations for engaging with sustainability and a chronicle of events (Pentland, 1999). The reports were viewed as one source of narrative about the sustainability programme and one that could provide only limited insight into the organisational context within which the programme had emerged and developed. The group members were viewed as knowledgeable agents who could explain their actions, experiences, thoughts and intentions and provide retrospective and real-time narratives of the emergence and evolution of the sustainability programme, their perceptions of the process and their broader perceptions of the CC Group

(Gioia et al., 2012). The analysis, interpretation and theorisation of these two primary sources of data aims to provide a rich and context-specific understanding of the development of CC Group's sustainability programme.

1.4 Research Contributions

This research makes a number of empirical and theoretical contributions to the literature on organisational sustainability and accounting for sustainability. Firstly, the study provides a holistic and longitudinal view of the development of a sustainability programme and related accounting within a family-owned company. In doing so, the study adds to our understanding of *why* and *how* these activities emerge, evolve and become (partially) embedded within an organisation. In considering *why* environmental management accounting and voluntary external sustainability reporting emerged, the study adds to the small but growing body of literature (Bebbington et al. 2009 and Lodhia and Jacobs 2013; Contrafatto 2014; Belal and Owen, 2015) that provides a more detailed, complete and nuanced view of the motives for this type of accounting and reporting (O'Dwyer, 2002). It therefore responds to Hopwood's (2009, p.437) call for detailed case studies exploring the variety of motives implicated in the (non-) production of environmental and sustainability-related accounts.

In addition, only a small number of studies (see, for example, O'Dwyer, 2005a; Contrafatto, 2014; Belal and Owen, 2015) have explicitly focused on *how* accounting for sustainability develops in specific organisational contexts. Yet, studies of this kind are necessary to understand and evaluate the potential of this type of accounting, and accounting in a wider sense, to promote transformative change in our ways of thinking and doing business (Contrafatto, 2014). More specifically, this study provides insight into the divergent internal legitimation and evolution of the environmental management accounting system and voluntary, GRI-based sustainability reporting. It demonstrates how, as the sustainability programme developed within the case company, environmental management accounting became an integral part of the environmental management system and later the sustainability programme, but internal support for the external sustainability reporting faded. The study's holistic consideration of the evolution of both environmental management accounting and external reporting as part of the emergence of a sustainability programme represents a significant departure from the prior literature on sustainability accounting. This literature has been criticised for decoupling the accounting narratives about sustainability in external

corporate reports from the organisation's actions or inactions around sustainability (Bebbington and Larrinaga, 2014), and this study responds directly to Contrafatto's (2014) call for more in-depth and sustained research in this area. This study also extends and challenges the work of Belal and Owen (2015) who suggest that voluntary sustainability reporting ceases when it is perceived as conflicting with the fundamental economic interests of the reporting organisation. In contrast, this study's analysis demonstrates that forms of voluntary sustainability reporting can cease even when no such conflict exists.

The study also examines the role played by key participants (an environmental executive within the Group and an external consultant) in the sustainability programme, and in doing so it supports the importance ascribed by Bouten and Hoozée (2013) and Contrafatto (2014) to individual organisational actors in establishing new environmental activities. In addition, the case narrative provides insight into the *nature* of the roles played by the key participants, in seeking legitimation from internal audiences and powerful stakeholders (owners and franchisees) and in (re)evaluating and (re)selecting which activities to actively support themselves.

At a theoretical level, the study advances the limited body of work (especially, Bridwell-Mitchell and Mezias, 2012; Brown and Toyoki, 2013) which has sought to examine the relationship between organisational identity and internal legitimacy. The study supports Bridwell-Mitchell and Mezias' (2012) argument that establishing cognitive legitimacy, in particular comprehensibility, plays a more important role in the emergence and legitimation of new activities *within* an *existing* organisation than previously considered. Moreover, the study highlights the role of individuals' legitimating 'identity talk' (Brown and Toyoki, 2013) as an important mechanism for establishing comprehensibility during the initial or preliminary legitimation of emerging organisational activities. The study also demonstrates how the processes of organisational identity and internal legitimation overlap on an ongoing basis through this mechanism.

1.5 Thesis Structure

The remainder of this thesis is structured over the following 10 chapters.

Chapter Two, the literature review, is divided broadly into two sections. The first section considers how sustainability, organisational sustainability and accounting for sustainability are conceptualised. The second section reviews the literature on accounting for sustainability

and provides the foundations for a more in-depth consideration of the emergence, evolution and embedding of sustainability accounting.

Chapter Three is focused on the development of the theoretical framework for the study and is divided into three sections. The first section is concerned with discussing how the concept of organisational identity has been defined and understood in the literature and is mobilised for this study. The second section is concerned with how the concept of legitimacy and in particular internal legitimacy and legitimation have been conceptualised in the literature and how they are understood in the context of this research. The third section considers the relationship between organisational identity and internal legitimacy.

Chapter Four discusses the research methodology and methods used for the study. The chapter is divided into three sections. The first section contains an overview of the researcher's approach to the research process. The second section discusses the research intent and objectives for the study. The third section provides a detailed account of the methods used in the design, execution, theorisation, interpretation and writing up of the study.

Chapter Five is concerned with the broader context of the case organisation and is divided into four sections. The first section provides an overview of the current Irish corporate responsibility landscape. The second section offers an overview of the industry in which the CC Group operates. The third section provides an account of the company's history, current operations and governance, and a synopsis of its engagement with sustainability. The fourth and final section provides an overview of the structure of the case narrative, with the aim of offering a roadmap for the empirical findings in Chapters Six to Nine.

Chapter Six, the first of the case narrative chapters, focuses on the CC Group's organisational identity and the ongoing identity work of the group members and family stakeholders. The first section discusses the participants' *identity work*. The second section considers the CC Group's set of *identity claims* and the role of identity work in maintaining these claims. The final section discusses the Group's *enacted identity*.

Chapter Seven traces the emergence, evolution and embedding of the environmental management and accounting systems and highlights the relationship between these two activities. It considers the role of the CC Group's organisational identity claims as a filter and

guide for group and family members when deciding to engage with these new activities. It then traces the legitimation and embedding of these activities between 1998 and 2007.

Chapter Eight focuses on the emergence of the sustainability programme from 2006 onwards. It traces the alignment of the environmental management system with the CC Group's existing CSR activities and the emergence of an indigenous concept of sustainability. It then focuses on the subsequent legitimation and embedding of the programme between 2003 and 2012.

Chapter Nine is focused on the emergence of sustainability reporting in the CC Group. The first section provides an overview of the growth and subsequent decline and cessation of the GRI reports. The second section examines the development of GRI-based external sustainability reporting between 2001 and 2006 and the accompanying (failed) legitimation of these activities. The third section discusses the decline in internal support for sustainability reporting between 2007 and 2012.

An in-depth discussion of the research is contained in **Chapter Ten**, which is divided into two sections. The first section reintroduces the research objectives and discusses how the case narrative addresses each objective. The second section discusses the theoretical implications of the study.

The thesis concludes with a summary of the research findings, the limitations of the study and directions for future research in **Chapter Eleven**.

Chapter 2: Literature Review

2.1 Introduction

This chapter reviews prior literature relevant to the study. As this study is concerned with organisational sustainability⁶ and sustainability accounting, these concepts are discussed in the first section. The main focus of this chapter is the literature concerning sustainability accounting and it provides a discussion of studies which consider the emergence, evolution and embedding of sustainability accounting. This is completed in order to portray the context within which the research is placed and to highlight its contributions to the literature.

2.2 Conceptualising Sustainability

Sustainability is a complex and contested concept that can be viewed from a planetary, ecological, societal and organisational perspective (Gray, 2010). Bebbington and Larrinaga (2014, p. 2) suggest that sustainability is the end point of a process of sustainable development. The Brundtland report offers a seminal concept of sustainable development as development that meets “the needs of the present without compromising the ability of future generations to meet their own needs” (UNWCED, 1987, p. 8). This concept concerns human impacts on both natural and social systems (Gray, 2010; Bebbington and Larrinaga, 2014). It involves “the preservation and/or maintenance of a finite and crucial environment; and incurs some duty of social justice – between and within generations” (Gray, 2010, p. 53). Where we currently stand regarding sustainability, or moving away from unsustainability (Bebbington and Larrinaga, 2014, p. 396), at any level, is the subject of extensive debate (Gray, 2010). Sustainability at the level of corporate organisations is no exception to this. The concept of organisational sustainability is discussed in the next section.

2.2.1 Organisational Sustainability

Bebbington and Larrinaga (2014, p. 396) conceptualise organisational sustainability as “actions that organisations might undertake in accordance with the principles of sustainable

⁶ The term sustainability is often used interchangeably or in conjunction with other related terms such as CSR, corporate citizenship, corporate social responsiveness, corporate philanthropy and corporate social performance (Silberhorn and Warren, 2007). This literature review encompasses work which uses a variety of these terms.

development.” The extent and type of actions required for an organisation to achieve a state of sustainability is not yet fully understood in practice or in the literature (van Marrewijk, 2003; van Marrewijk and Werre, 2003). Nonetheless, organisations, particularly for-profit companies, are subject to increasing socio-political pressures to be, or appear to be, more sustainable or less unsustainable (Berrone and Gomez Mejia, 2009; Berrone et al., 2010; Cho, Roberts et al., 2010; Cho et al., 2012; Thomas and Lamm, 2012; Höllerer, 2013). Individual companies vary in their responses to these external pressures for sustainability ranging from outright rejection, through ceremonial compliance (without substantive change), to substantive engagement (Berrone et al., 2010; Cho et al., 2012; Höllerer, 2013; Pondeville et al., 2013). However, a growing number of companies claim that they are integrating sustainability concerns into strategic and operational decision making processes (Thomas and Lamm, 2012) and are producing (claimed) accounts and narratives of sustainability (Gray, 2010).

The intentions behind, and the adequacy of, these corporate actions towards sustainability are subject to extensive questioning and debate (Gray, 2010; Thomas and Lamm, 2012; Tregidga et al., 2013). The emerging research on organisational sustainability, mirroring work in the related field of CSR (corporate social responsibility), suggests that there are weak and strong forms of organisational sustainability (Thomas and Lamm, 2012). Weak sustainability is concerned with a pragmatic and restrictive business case rationale for sustainability, and organisational actions are limited to win-win opportunities such as eco-efficiency and design for the environment (Thomas and Lamm, 2012; Tregidga et al., 2013; Bebbington and Larrinaga, 2014; Thomson et al., 2014). Companies engaging with this concept of sustainability would remain primarily concerned with profitability and economic growth (Thomas and Lamm, 2012; Tregidga et al., 2013). This approach to sustainability is viewed as allowing individual companies and the business community as a whole to subvert the (potentially) radical nature of sustainability and to continue conducting business as usual (Spence, 2009; Gray, 2010; Archel et al., 2011; Burritt, 2012; Thomas and Lamm, 2012; Tregidga et al., 2013; Bebbington and Larrinaga, 2014; Thomson et al., 2014). In contrast, strong organisational sustainability would “require firms to operate individually and collectively in such a manner that the planet’s carrying capacity is not exceeded. Profit-making would no longer be a company’s primary objective, though it would remain a necessary constraint ... Overall value creation would be the over-riding imperative even if

substantial portions of that value were in the form of social and environmental capital (i.e., positive externalities) that could not be appropriated by the firm and its owners” (Thomas and Lamm, 2012, p. 194). This normative, ethics-based rationale for sustainability requires cognitive, strategic, structural and procedural changes at the level of individual organisations and to our social, political and economic systems as a whole (Thomas and Lamm, 2012).

2.2.2 Accounting for Sustainability

Engaging with either a weak or a strong form of organisational sustainability involves (possibly limited and inadequate) organisational activities concerned with environmental and social issues and is usually accompanied by accounts and narratives of these activities. The phrases *sustainability accounting* or *accounting for sustainability* are used here as broad terms to encompass accounts or narratives of business sustainability (Gray, 2010) that may be produced for either external or internal audiences. Numerous sustainability-related accounting activities have been developed in recent years, including biodiversity audits, carbon accounting, corporate social reporting, energy costing, full-cost accounting, shadow accounts, the sustainable balanced scorecard and the connected reporting framework (Thomson et al., 2014). Companies communicate their sustainability activities and policies through a wide variety of channels. Sustainability-related information is frequently reported in corporations’ annual reports, standalone sustainability reports or websites. If a company produces a standalone report, it may be titled a CSR report, an environmental report, sustainability report or triple bottom line report (Milne and Gray, 2007). External sustainability reporting is not yet regulated in the same way as financial reporting. There are, however, a number of voluntary reporting guidelines that have been developed to serve as frameworks for sustainability reporting and auditing. The most prominent standards include the Global Reporting Initiative’s (GRI) Sustainability Reporting Guidelines, AccountAbility’s AA1000 standard, the European Eco-management and Auditing Standard (EAS), the ISO 14000 environmental management standard and the Connected Reporting Framework. Even with these developments, Bebbington and Larrinaga (2014) suggest that robust accounts of organisational (un)sustainability have yet to be realised. Thus, organisational sustainability and accounting for sustainability are evolving and contested concepts and processes, in both practice and the literature (Tregidga et al., 2013; Byrch et al, 2015), and longitudinal engagement-based studies are likely to yield insights into how organisational sustainability practices and accounting unfold.

2.3 The Emergence, Evolution and Embedding of Sustainability Accounting

Research in this area has ebbed and flowed over a number of decades; however, there has been a sustained surge in academic work in the area since the 1990s (Deegan, 2002), with a focus on corporate disclosure studies and deductive theorising (Moore, 2013). Much of the research is informed by, and contributes to, the broad debate on corporate sustainability, transparency and accountability (Tinker et al., 1991; Cooper, 1992; Owen et al., 1997; Gray, 2002a, 2002b, 2010; Cooper et al., 2004; Spence, 2007, 2009; Archel et al., 2011) and in particular is concerned with the potential of sustainability accounting to act as a catalyst for change at an organisational level (Dillard, 1991; Tinker et al., 1991; Cooper, 1992; Gray, 1992, 2001, 2006; Willmott et al., 1993; Power, 1994; Gray et al., 1995; Bebbington, 1997; Gallhofer and Haslam, 1997; Newton and Harte, 1997; Owen et al., 1997; Everett and Neu, 2000; Owen et al., 2000; Neu et al., 2001; Deegan, 2002; Adams, 2004; Cooper et al., 2004; Parker, 2005; Adams and McNicholas, 2007; Archel et al., 2011). There is a broad concern among sustainability accounting scholars that voluntary sustainability reports have little to do with sustainability and instead are attempts to capture and construct the discourse around sustainability in such a way as to maintain the status quo (see, for example, Milne et al., 2006; Milne and Gray, 2007; Spence, 2007, 2009; Gray, 2010; Archel et al., 2011; Tregidga et al., 2013; Bebbington and Larrinaga, 2014). Various forms of corporate sustainability-related activities and accounting have been criticised as being an attempt by business to avoid regulation and manipulate public opinion (Tinker et al., 1991; Newton and Harte, 1997; Everett and Neu, 2000). Companies' sustainability reports are perceived as part of a strategy aimed at gaining, maintaining or repairing a company's reputation and social acceptance without it having to adjust its behaviour (Buhr, 1998; Neu et al., 1998; Deegan et al., 2002; Milne and Patten, 2002). This debate has given rise to a large number of studies that have examined external legitimacy as the primary motive for voluntary external sustainability reporting and to a smaller, but growing number of studies that engage with organisations and organisation members to explore sustainability accounting in practice (Contrafatto, 2014).

2.3.1 The Emergence of External Sustainability Reporting

A range of theories have been used to explain the emergence of voluntary external corporate sustainability reporting; the most common among these is external legitimacy theory

(Campbell et al., 2003). Internal and external legitimacy theory is more extensively discussed in the next chapter; this section focuses on external legitimacy theory and sustainability reporting. This vein of legitimacy theory conceptualises legitimacy as the need for organisations, individually or collectively, to convince an external audience that they are acting within the boundaries of broad social values and norms (see, for example Guthrie and Parker, 1989; De Villiers and Van Staden, 2006; Golant and Sillince, 2007). Extending this concept to corporate sustainability, a company may use sustainability-related activities, and in particular reporting on those activities, as a tool to gain, maintain or repair its external legitimacy (Guthrie and Parker, 1989; Buhr, 1998; Neu et al., 1998; Deegan et al., 2002; Milne and Patten, 2002). A range of studies using a variety of methods have examined legitimacy theory as an explicator of social disclosures (Guthrie and Parker, 1989; Neu et al., 1998; Deegan et al., 2000; Campbell, 2000; Deegan, 2002; Deegan et al., 2002; Milne and Patten, 2002; Campbell et al., 2003; Cho, 2009; Cho, Roberts et al., 2010; Cho et al., 2012). These studies have produced mixed results. Some have found evidence consistent with legitimacy theory as an explanatory factor for sustainability reporting (Neu et al., 1998; Buhr, 1998; Deegan et al., 2000; Deegan et al., 2002; Milne and Patten, 2002; O'Donovan, 2002; Cho, 2009). Others have contested the explanatory power of legitimacy theory (Campbell, 2000; Wilmhurst and Frost, 2000; O'Dwyer, 2003a; De Villiers and Van Staden, 2006). Yet there remains disagreement over the link between legitimacy theory and sustainability reporting (Clarkson et al., 2008), and there are suggestions that the reliance on external legitimacy theory as a broad theoretical perspective has become progressively less insightful (Bebbington et al., 2008; Unerman, 2008; Lodhia and Jacobs, 2013).

Alternative perspectives on reporting such as reputation risk management (Bebbington et al., 2008) or institutional theory (Bebbington et al., 2009) have also emerged. Using the reputation risk management perspective Bebbington et al. (2008) examine a specific instance of CSR reporting (Shell's 2002 CSR report). They suggest that "it may well be the case that the Shell report is as much to do with the manufacture of the organisation's identity as it is with the external management of reputation" (Bebbington et al., 2008, p. 350). However, the focus of their study remained on the external determinants of sustainability reporting such as the need to maintain the company's reputation or regulation pressures. Recent research by Clarkson et al. (2008), Cho, Freedman et al., (2010), Cho, Roberts et al., (2010) and Cho et al., (2012) suggests a diversity of practice in relation to environmental performance and

reporting that cannot be explained by reference to socio-political pressures and external legitimacy alone.

2.3.2 Diversity in Corporate Sustainability Reporting

Clarkson et al. (2008) take a sample of 191 US firms in environmentally sensitive industries and examine their purely voluntary disclosures (standalone social and environmental reports and related web-based disclosures) in 2003. They consider both legitimacy theory and voluntary disclosure theory as possible explanations for the extent and nature of these disclosures. Their interpretation of external legitimacy theory suggests that worse performing firms will increase their voluntary disclosures in order to change stakeholders' perceptions of their performance, whereas voluntary disclosure theory suggests the opposite – that better performing firms will seek to convey their superior type through greater levels of voluntary disclosure of objective (hard) performance indicators than worse performing firms who will choose to remain silent and disclose less. Clarkson et al. (2008) were seeking to provide a definitive answer as to whether external legitimacy theory or voluntary disclosure theory best explains the nature or extent of voluntary disclosures, but their results suggest that neither theory is sufficient in its own right. They found that, in line with voluntary disclosure theory, better performing firms choose to make more voluntary disclosures of hard data. Voluntary disclosure theory does not, however, explain the nature of the voluntary disclosures made by worse performing firms. Rather than remaining silent, as would be expected with voluntary disclosure theory, worse performing firms make soft claims about being committed to the environment. Thus, this study suggests a diversity of practice in relation to the external reporting of sustainability among these firms, which cannot be definitively explained by reference to either theory alone. This diversity of reporting practice is also evident in the studies of Cho, Freedman et al., (2010), Cho, Roberts et al., (2010) and Cho et al., (2012).

In a series of studies of U.S. publicly listed companies, Cho, Freedman et al., (2010), Cho, Roberts et al., (2010) and Cho et al., (2012) present empirical support for the arguments that environmental disclosures seem to be motivated by external legitimacy concerns, and are used as impression management strategies by the worst environmental performers, and that in some ways these strategies are effective. Cho, Freedman et al., (2010) build on the work of Clarkson et al. (2008) in this study of the environmental capital expenditures of 119 environmentally exposed U.S. firms. They consider both legitimacy theory and voluntary disclosure theory as motives for the voluntary disclosure of these expenditures. They contend

that legitimacy theory provides a better explanation of these disclosures, as the disclosure of environmental capital expenditure is associated with poorer environmental performance. In addition, although both non-disclosing and disclosing firms are improving their environmental performance, disclosing firms are not improving at a faster pace than non-disclosing firms.

In their study of impression management in US companies, Cho, Roberts et al., (2010) suggest that there are self-serving biases present in the language and verbal tone used in corporate environmental disclosures and that the extent of the bias is related to the corporation's environmental performance. On the basis of an analysis of annual financial reports and Kinder, Lydenberg, Domini (KLD) Research and Analytics' environmental performance scores for a cross-sectional sample of 190 U.S. firms, they found empirical support for the hypothesis that the environmental disclosures of the worst performing firms exhibited significantly more bias than those of the best performing firms. In particular, the disclosures of the worst performing firms were found to focus more on reporting good news and blurring responsibility for poorer performance than those of better performing firms. Finally, in their study of U.S. corporate environmental reputations, Cho et al. (2012) suggest that voluntary environmental disclosures appear to mediate the effect of poor environmental performance on a corporation's environmental reputation. In this study of 92 US firms in environmentally sensitive industries, they examine the relationship between the Trucost environmental performance scores, their Newsweek environmental reputation rankings and membership of the Dow Jones Sustainability Index (DJSI). They found that the Trucost environmental scores were negatively related to both the reputational scores and membership of the DJSI, suggesting that voluntary environmental disclosures can shield a company from reputational damage due to poor environmental performance.

There is a tendency, at times, within the literature on sustainability accounting to treat corporations as a homogenous mass with a uniform (and poor) response to external pressures for greater action, accountability and disclosure in relation to sustainability (see, for example, Tinker et al., 1991; Spence, 2007, 2009; Archel et al., 2011). Taken at this level, progress towards corporate sustainability and accounting for sustainability can be viewed as slow and perhaps unachievable (Gray, 2010). However, organisations are not homogenous and have diverse motivations for, and experiences with, sustainability and accounting for sustainability (van Marrewijk and Werre, 2003; Dyer Jr. and Whetten, 2006; Berrone et al., 2010; Cho,

Roberts et al., 2010; Cho et al., 2012; Lodhia and Jacobs, 2013). These studies (Clarkson et al., 2008; Cho, Freedman et al., 2010; Cho, Roberts et al., 2010; Cho et al., 2012) have provided useful empirical evidence to support the argument that companies with a comparatively poor environmental performance are motivated by external legitimacy concerns to engage in impression management through external sustainability reporting and in doing so can create a legitimacy facade (Maclean and Behnam, 2010; Thomas and Lamm, 2012), shielding themselves from reputational damage due to their performance. However, they have also shown that not all of the companies in their samples choose to pursue these strategies. Better performing environmental companies engage in more purely voluntary disclosures (standalone reports and web-based disclosures), less regulatory driven disclosure in annual reports and less impression management. They are less likely to pursue external recognition (membership of the DJSI) than worse performing firms and are also less likely to be awarded external recognition (Newsweek rankings). External legitimacy provides an insufficient explanation of the behaviour of these companies. The organisational structures and processes and the concerns of internal stakeholders may provide a “more powerful explanation” (Lodhia and Jacobs, 2013, p. 610) for the production of environmental reports than that of external legitimacy (Adams, 2002; Ball, 2005; Contrafatto, 2014). However, our knowledge of how and why sustainability activities and accounting emerge and evolve over time in individual organisational contexts is still underdeveloped (Dey, 2007; Contrafatto, 2014). Section 2.3.3 reviews the existing engagement-based studies of sustainability accounting.

2.3.3 Engagement-based Studies of Sustainability Accounting

Prior engagement-based studies provide insight into three aspects of sustainability accounting: firstly, the motives underlying the emergence of sustainability accounting, in particular, external sustainability reporting; secondly, the role of sustainability accounting in bringing about organisational change (towards sustainability); and thirdly, the interplay between different types of sustainability activities and accounting and the interactions between sustainability accounting and internal organisational and contextual factors (Contrafatto, 2014). This study seeks primarily to contribute to our knowledge of the first and third aspect of sustainability accounting by providing theoretical and empirical insight into these “complex processes” (Contrafatto, 2014, p. 415). In doing so, it may also add to our

knowledge of sustainability accounting's capacity to contribute to an organisation's progress towards sustainability (Bebbington and Larrinaga, 2014; Contrafatto, 2014).

2.3.3.1 Motives Underlying Sustainability Accounting

A number of engagement-based studies have focused on providing insight into why sustainability accounting emerges in a variety of organisational contexts (see, for example, Adams, 2002; Buhr, 2002; O'Dwyer, 2002; Bebbington et al., 2008; Lodhia and Jacobs, 2013; Contrafatto, 2014). As discussed in Section 2.3.1, external legitimacy theory is the dominant theory used to explain the emergence of external sustainability reporting. Engagement-based studies have provided more nuanced and complete narratives (O'Dwyer, 2002) around the emergence of sustainability reporting, acknowledging the role of both external mimetic and normative pressures and of internal organisational processes and actors (Contrafatto, 2014) in the emergence of sustainability reporting processes in the context of for-profit (Adams, 2002; Contrafatto, 2014, Belal and Owen, 2015), NGO/socially orientated (O'Dwyer, 2005a, 2005 b; Dey, 2007) and public sector organisations (Adams and McNicholas, 2007; Lodhia and Jacobs, 2013).

2.3.3.2 Sustainability Accounting and Organisational Change

The majority of engagement-based studies are focused on evaluating the role of sustainability accounting interventions in stimulating organisational change (see, for example, Gray et al., 1995; Bebbington and Gray, 2001; Larrinaga-Gonzalez et al., 2001; Larrinaga-Gonzalez and Bebbington, 2001; O'Dwyer, 2003a; Ball, 2005; O'Dwyer, 2005a; Adams and McNicholas, 2007; Dey, 2007; Bouten and Hoozée, 2013; Thomson et al., 2014). These studies have reported results that vary over time and context (Contrafatto, 2014). With the exception of Adams and McNicholas (2007), earlier studies have been generally pessimistic about the potential of sustainability accounting to stimulate organisational change and observed either little structural or cultural change towards sustainability or unintended and undesirable changes in the values and norm systems of the case organisations (Dey, 2007).

However, more recent research (Bouten and Hoozée, 2013; Thomson et al., 2014) has suggested that sustainability accounting systems can act as a catalyst for change and support organisational activities on some aspects of sustainability. Thomson et al. (2014) found that, in the context of two public sector organisations, their current sustainability accounting systems supported some (eco-efficiency and regulatory compliance), but not all aspects of

sustainability. Bouten and Hoozée (2013), in their two-year study of four Belgian companies, including three family-owned companies, consider how environmental reporting, environmental management accounting and environmental management systems may interact in the process of responding to external environmental disturbances or jolts (Laughlin, 1991). They demonstrate that the change pathways vary across each company in terms of: the order of introduction of environmental reporting, environmental management accounting and an environmental management system; interactions between the processes; and the level of organisational action on sustainability issues. They find that environmental reporting may be implemented as a direct response to an environmental jolt or an indirect response, preceded by the introduction of an environmental management system. They also suggest that the interacting processes of environmental reporting and environmental management accounting have the potential to act as a catalyst for substantive organisational change. They argue that the changes in environmental reporting and environmental management accounting processes as well as any organisational changes are dependent on several external and internal factors: the strength of the jolt; top management commitment; and the presence of an environmental champion.

2.3.3.3 Evolution and Embedding of Sustainability Accounting

As regards the evolution and (non) embedding of sustainability accounting, only a small number of studies (O'Dwyer et al., 2011; Contrafatto, 2014; Belal and Owen, 2015) have explicitly focused on providing theoretical and empirical insight into the organisational processes that contribute to the evolution and (partial) embedding of sustainability accounting and related activities. O'Dwyer et al. (2011) use a fine-grained concept of legitimacy to examine the process through which practitioners seek to legitimise sustainability assurance (p. 32) with both internal and external stakeholders. They found that construction of the sustainability assurance statement was initially constrained by the resistance of powerful internal stakeholders (the Risk Department) and that these constraints were only partially overcome through the practitioners' internal legitimisation efforts (p. 50).

Contrafatto (2014), drawing on institutional theory, focuses on the processes through which social and environmental reporting and related activities have become established and taken for granted (institutionalised) in an Italian multinational company in the energy sector. The study develops a progressive and multi-staged model of the institutionalisation of social and environmental reporting (p. 417) involving: the *construction* of a common meaning system

around the concept of social and environmental responsibility; its *practicalisation* through the adoption and diffusion of rules and routines; and its *reinforcement* through the adoption of intra-organisational managerial structures and procedures. Using this framework Contrafatto (2014, p.429) proposes a number of insights into the emergence and evolution of the social and environmental reporting process. The emergence of social and environmental reporting is characterised as the natural (logical and expected) result of internal organisational dynamics spurred by the influences exerted by favourable institutional factors, rather than a structurally determined response to external institutional pressures. The company's first report was seen as both an outcome of, and a medium to construct, reinforce and institutionalise the concept of social and environmental responsibility. The subsequent development of the social and environmental reporting process was found to be both externally institutionally influenced and strongly organisationally orientated, with the "designing, cutting and sewing" (p. 429) of social and environmental reporting and related activity based on the organisation's needs and expectations. Finally, social and environmental reporting is characterised as institutionalised and a fact of life within the organisation. This institutionalisation was facilitated by the existence of an institutionalised concept of social and environmental responsibility providing a stable and secure basis for the social and environmental reporting activities and the development of formal organisational structures and (management and control) systems to reinforce and support the activities.

Most recently, Belal and Owen (2015) use external legitimacy theory to examine the circumstances surrounding the development and subsequent cessation of stand-alone CSR reporting in a multinational subsidiary in the tobacco industry in Bangladesh. Their study suggests that the rise and fall of CSR reporting in this case was driven by a combination of global and local forces including the subsidiary's head office, the WHO and changes in local policy and attitudes towards tobacco. The authors use a model of organisational level legitimacy proposed by Tilling and Tilt (2010) for controversial industries that consist of six phases; establishment, maintenance, extension, defence, loss and disestablishment to analyse the changes in reporting over time. The subsidiary initiated CSR reporting in an attempt to create a formal space to defend and maintain the legitimacy of its activities in Bangladesh in the face of growing local anti-tobacco legislation and campaigns. However, when these strategies failed and the organisation was losing legitimacy and facing stakeholder demands which conflicted with its corporate interests, it abandoned stand-alone reporting and formal

stakeholder dialogue. Instead, shorter, general and symbolic narratives were published within their annual report or on their website. Thus, this study demonstrates that longitudinal studies are important in understanding how external sustainability reporting evolves over time and can be vulnerable to changes to an organisation's external legitimacy.

This study seeks to add to the literature on accounting for sustainability, and in particular the work of Bouten and Hoozée's (2013), Contrafatto (2014) and Belal and Owen (2015), as it provides both a longitudinal and holistic account of the emergence and evolution of an environmental management system, environmental management accounting, sustainability reporting and later a sustainability programme. In addition the study seeks to examine the interplay between these activities and internal organisational and contextual factors, in particular OI (organisational identity) and internal legitimation processes. In doing so it adds to our understanding of why and how organisational sustainability programmes and sustainability accounting unfold and embed or fail to embed over time.

2.4 Chapter Summary

This chapter was divided broadly into two sections. The first section considered how sustainability, organisational sustainability and accounting for sustainability are conceptualised. The second section reviewed the literature on accounting for sustainability and provided the foundations for a more in-depth consideration of the emergence, evolution and embedding of sustainability accounting.

Chapter 3: Theoretical Framework

3.1 Introduction

Organisational identity (OI) and internal legitimacy theory were used to frame the findings of the case study. Chapter Four describes, in detail, the iterative approach to data analysis, literature review and theoretical development used in this study. As part of this process, the themes of identity and legitimacy emerged from the first phase of data coding, analysis and discussion. The literature on identity and legitimacy was then reviewed and the concepts of OI and internal legitimacy proved insightful and useful for thinking about the data. Neither concept in its own right seemed to provide a sufficient frame for understanding the case data; however, an integrated theoretical perspective seemed to allow for a more cohesive and complete account (Bansal and Roth, 2000) of the CC Group's engagement with sustainability. A nascent theoretical framework using both concepts was then used to inform subsequent data collection and in the drafting of descriptions, narratives, working papers and ultimately this dissertation. Thus, the theoretical framework was informed by, and also shaped, the empirical side of the study.

The chapter is divided broadly into three sections. The first section explores the concept of OI and its influence on organisational responses to external or internal strategic changes and events. The next section provides a brief description of the broad concept of legitimacy, types of legitimacy and strategies for legitimacy building, before focusing on internal legitimacy and in particular internal programme- and activity-level legitimacy. The final section discusses the relationship between OI and internal legitimacy in the context of new organisational processes.

3.2 Organisational Identity

In recent decades, the use of the concept of identity, both individual and collective, to explain and provide insight into the character and behaviour of organisations and their members has become prevalent as it is seen as being helpful at both a macro (group or organisation) and micro (individual) level and across disciplines (Albert, 1998; Dutton and Dukerich, 1991; Albert et al., 2000; Gioia et al., 2000; Oliver and Roos, 2008). Numerous OI studies suggest that it is an important construct in understanding the direction and persistence of both individual and organisational action (see, for example, Dutton and Dukerich, 1991; Gioia and

Chittipeddi, 1991; Gioia and Thomas, 1996; Albert et al., 2000; Ravasi and Schultz, 2006; Brickson, 2007; Nag et al., 2007; Basu and Palazzo, 2008). However, despite considerable academic attention being devoted to this area (Oliver and Roos, 2008), there is still debate over the definition of OI (Moingeon and Ramanantsoa, 1997; Albert et al., 2000; Hogg and Terry, 2000). OI has been viewed from a variety of different perspectives, for example: as shared beliefs or institutionalised claims; as a process, a metaphor, a narrative; as a social fact or reality; as a macro or micro phenomenon; and as a social construction or core essence (Oliver and Roos, 2008). To further complicate the debate, OI is seen as overlapping with organisational image, reputation, culture, personality and character (Moingeon and Ramanantsoa, 1997; van Riel and Balmer, 1997) and has been used in multiple disciplinary domains and literatures (Cornelissen et al., 2007). Section 3.2.1 reviews the literature on OI starting with the foundational work of Albert and Whetten (1985) and the ensuing debate around the nature of OI. Section 3.2.2 discusses more recent work proposing a process perspective on identity (Schultz et al. 2014). Finally Section 3.2.2 focuses on the mobilisation of OI within the framework for this study.

3.2.1 Conceptualising Organisational Identity

Albert and Whetten's (1985) seminal definition conceptualises OI as organisation members' beliefs about their organisation's central, distinctive and stable characteristics. Most subsequent conceptions of OI draw on these definitional pillars (Gioia et al., 2000) of centrality, distinctiveness and stability. For example, Ashford and Mael's (1989, p. 27) definition of OI draws on these concepts but also provides a more explicit recognition of the collective aspect of identity as "a shared understanding of the central, distinctive, and enduring character or essence of the organisation among its members." This conception of OI as a collective construct is also reflected in Hatch and Schultz's (1997) definition of OI as a collective, commonly shared understanding of an organisation's distinctive values and characteristics.

Although Albert and Whetten's (1985) conception of OI as a collective understanding of the central, enduring and distinctive characteristics of an organisation is the seminal definition in this area of the literature and has been used in a wide range of organisational studies (Gioia et al., 2000; Oliver and Roos, 2008), aspects of the definition are subject to extensive debate and discussion. Early work on identity suggested that the more salient, stable, internally consistent and enduring the identity of an organisation is, the greater the influence it will have

on individual members' behaviour (Ashford and Mael, 1989). However, subsequent work suggests that contemporary organisations may be more fragmented and malleable than this conception would intimate, particularly in a dynamic environment (Alvesson and Empson, 2008). Sections 3.2.1.1, 3.2.1.2 and 3.2.1.3 consider the “central”, “distinctive” and “stable” or “enduring” aspects of the definition respectively.

3.2.1.1 Central Characteristics

The nuances in the collective and central aspects of the definition of OI are explored in some of the early work in the area. Although OI is portrayed as a collective construct, not all groups within an organisation may share the same perceptions about their organisation (Ashford and Mael, 1989). A strong and internally consistent OI is more likely to unify and influence organisation members. However, the notion of a single identity for a complex organisation is problematic (Ashford and Mael, 1989, p. 22). An organisation may encompass two or more disparate or loosely coupled identities (Albert and Whetten, 1985; Ravasi and Schultz, 2006) and may focus to varying degrees on different central characteristics of these identities depending on the context or audience involved (Gioia, 1998, p. 19). These alternative statements of identity may be compatible, complementary, unrelated or contradictory (Albert and Whetten, 1985). Inherent conflicts between the demands of these identities are typically not resolved by cognitively integrating the identities, but by ordering, separating, or buffering them. This compartmentalisation of identities allows for the possibility of double standards, apparent hypocrisy and selective forgetting (Ashford and Mael, 1989, p. 30).

3.2.1.2 Distinctive Characteristics

The distinctiveness or uniqueness of an organisation's characteristics is recognised as a claim by, or perception of, its members rather than a verifiable proposition (Albert and Whetten, 1985). Organisational histories, stories and cultures often carry a claim to uniqueness, but actually share common elements and express common concerns (Martin et al., 1983). Martin et al. (1983) found that organisational stories with a tacit claim to uniqueness actually occurred in virtually identical forms in a wide range of organisations. They suggest that this uniqueness paradox persists in part because these stories enable employees to perceive and identify with their organisation as distinctive and unique. The empirical validity of these claims of uniqueness is less important than the fact that it is common practice for powerful

organisation members to articulate these claims as part of an effort to create a collective OI (Dutton et al., 1994, p. 243).

3.2.1.3 Stability versus Continuity of Characteristics

Early work on OI drew on the literature on individual identity (Gioia, 1998), which suggests that the temporal stability of identity is important to an individual's health (Albert and Whetten, 1985, p. 272). Thus, OI was seen as resistant to change over time. The central tenets of an organisation's identity were usually taken to be resistant to alteration because of their ties to an organisation's history (Gioia et al., 2000). More recently, the idea of OI as an enduring construct has been challenged, for example by the work of Gioia and Thomas (1996) and Gioia et al. (2000), who suggest that OI is somewhat malleable and that the apparent stability of identity is to some extent illusory. Gioia et al. (2000, p. 65) distinguish between an enduring OI and an OI having continuity. Enduring implies that OI remains the same over time, whereas an OI having continuity is one that changes in its interpretation and meaning, but the labels for core beliefs and values remain stable over time and context. Identity durability relates to the stability of the labels used by members of the organisation to express their conception of its identity, but the meaning of these labels can change over time. Hence, it is suggested that OI is actually dynamic and mutable and tends towards adaptive instability (Gioia et al., 2000, p. 64). Organisation members can be proactive in seeking to alter an organisation's identity in order to facilitate strategic change (Gioia and Chittipeddi, 1991; Gioia and Thomas, 1996; Gioia et al., 2000), or external pressures and environmental changes may trigger an assessment of, and changes to, an organisation's identity (Albert and Whetten, 1985; Dutton and Dukerich, 1991; Ravasi and Schultz, 2006). Feedback from outside sources about the impression an organisation has made on them can trigger an explicit or implicit comparison between identity and constructed external image (Dutton et al., 1994). Gioia et al. (2000) argue that, if these comparisons show a pronounced and consequential difference between internal and (construed) external perceptions, then organisation members may reassess, and seek to change aspects, of the organisation's identity. As part of this process, top management may project a desirable future image ("who do we want to be?") while also presenting a revised or reinterpreted account of the organisation's history so that the change seems somehow to relate to "who we have been" as an organisation (Gioia et al., 2000, p. 71).

Scott and Lane (2000a, 2000b) contest the view that OI is fluid and adaptively unstable (Gioia et al., 2000) and suggest that it is instead inherently sticky. They suggest that OI is contested and negotiated through complex and iterative interactions between managers, organisation members and other stakeholders (Scott and Lane, 2000b, p. 44). Consequently, they alter the definition of OI, suggesting that it is a set of shared beliefs between *top managers* and *stakeholders* (emphasis added) about the central, distinctive and enduring characteristics of an organisation, and shift the focus from an internal–external (identity or image) view to a manager–stakeholder view (Scott and Lane, 2000b, p. 44). They attribute identity stickiness to power dynamics and argue that top managers’ self-identities are intermingled with their organisation’s identity and that the organisation will seek to deny admission to, pressure, or extradite, those who challenge this identity (Scott and Lane, 2000a, p. 143). As a result of this exclusion process, OI stagnates, even in the face of stakeholder discontent. However, powerful and legitimate stakeholders can generate sufficient pressure to overcome identity stickiness and trigger a renegotiation of the organisation’s identity. This revised identity persists until one or both groups signal discontent with that conception of the organisation. Thus, both identity change and identity endurance are responses to an organisation’s powerful and legitimate stakeholders, with an enduring or stable identity the result of an enduring organisation and stakeholder relationship (Scott and Lane, 2000a, 2000b). If attempted, identity change and reconstruction may or may not be successful as multiple voices contribute a variety of divergent views of the organisation (Chriem, 2005; Humphreys and Brown, 2008). For example, organisation members are likely to reject new conceptualisations that they perceive as inconsistent with organisation history, tradition, and their sense of self (Humphreys and Brown, 2008). Overall, there has been little consensus in the OI literature in relation to both the collective and the enduring aspects of OI.

Underlying much of the debate surrounding the conceptualisation of OI are differing epistemological and ontological perspectives (Cornelissen et al., 2007; Oliver and Roos, 2008). These different views of the phenomenon have led to a range of interpretations of dynamism and change in OI (Ravasi and Schultz, 2006 p. 434). Studies of OI emanate from two main ontological/epistemological perspectives: functionalist or social actor perspectives (e.g., Elsbach and Kramer, 1996; Smith, 2011) and social constructivist perspectives (e.g., Scott and Lane, 2000b; Oliver and Roos, 2008). Studies with a social actor focus view OI as a set of institutional claims, which are explicitly stated views of what an organisation is and

represents (Ravasi and Schultz, 2006, pp. 434–5). These institutional claims then provide a guide for how the organisation and its members (social actors) should act and how stakeholders and other organisations should relate to them (Ravasi and Schultz, 2006; Smith, 2011). Through these claims about what the organisation stands for, and where it intends to go (Elsbach and Kramer, 1996; Albert et al., 2000), organisational leaders attempt to influence how internal and external audiences define and interpret the organisation (Ravasi and Schultz, 2006, p. 435). When an organisation is subject to external or internal pressures, its members can use OI to filter and mould the organisation’s interpretation of, and action on, the issue (Dutton and Dukerich 1991). An issue is an event, development or trend that organisation members collectively recognise as having some consequence to the organisation (Dutton and Dukerich, 1991, p. 518) and can include changes within an organisation such as employee strike action or externally based changes such as a demographic trend, a supply shortage, regulatory changes or collective stakeholder action (Dutton and Dukerich, 1991; Dutton et al., 1994). Such issues can cause an organisation’s collective identity to surface (Dutton and Dukerich; 1991 Dutton et al., 1994). In this way, OI claims can act as a rudder for navigating dynamic and complex environments (Albert et al., 2000, p. 13). From this perspective, although OI is intangible, it is still *something* that exists and is available for study (Gioia and Patvardham, 2012).

A social construction perspective focuses on OI as a collective understanding or interpretative scheme constructed by the members of an organisation (Ravasi and Schultz, 2006, pp. 434–5). Thus, studies in this tradition focus on the *process* of construction and reconstruction of OI, albeit with an implicit assumption that OI is something that changes over time (Gioia and Patvardham, 2012). These identity processes are often termed identity construction or identity work. Identity construction is generally used to refer to how OI is formed, and identity work is concerned with the ongoing maintenance, reconstruction or regulation of OI in mature organisations (Gioia et al., 2010; Pratt, 2012). Identity work can involve identity regulation attempts and identity talk (Mueller and Whittle, 2012; Pratt, 2012). *Identity regulation* is a process whereby employees are enjoined to include managerial discourses and objectives in their self-identity work (Alvesson and Wilmott, 2002). *Identity talk* involves both explicit identity talk (“We are an ambitious business”, “He is an honest person”) and implicit identity talk involving descriptions of what happened (memories of events) and why (attributions of cause) (Mueller and Whittle, 2012 p.169). Identity work, as well as OI claims, can be relevant

to an organisation's response to external or internal pressures as organisation members may reinterpret an organisation's identity in order to make sense of the change (Dutton and Dukerich, 1991; Fiol, 1991; Gioia and Chittipeddi, 1991; Ravasi and Schultz, 2006).

3.2.2 Identity as Process and Claims

More recent work on OI has sought both to bridge the gap between these two perspectives (Ravasi and Schultz, 2006; Gioia et al., 2010) and to introduce a more explicit consideration of time and process to the study of OI (Schultz et al., 2012). Ravasi and Schultz (2006) argue that the social actor and social construction perspectives on OI can be seen as complementary, whereas Gioia et al. (2010) argue that these perspectives are not just complementary but are mutually constitutive. Each set of processes recursively influences and helps construct the other, albeit with social construction processes likely to initially produce the claims made by and for the organisation (Gioia and Patvardham, 2012, p. 54). Thus OI can be seen as both some sort of *thing* (a set of identity claims) and also always in *process*. OI has both a snapshot quality and a motion-picture quality: although we can stop, and are predisposed to stopping, the motion picture and looking at the still as if it is a photograph of a static thing, the motion picture continues as we do so (Gioia and Patvardham, 2012, p. 52–3).

Following this view of identity as both claims and process, Kroezen and Heugens (2012, p.98) divide OI into two intertwined parts: *enacted* OI and an *identity reservoir*. Enacted OI consists of the claims employed by an organisation in social interaction and can vary over time and with the audience and organisation member involved (Kroezen and Heugens, 2012, p.98). Thus, this aspect of their conceptualisation of OI draws on a social constructionist perspective with a focus on the relational and dynamic aspects of OI. However, these OI claims are not enacted by drawing on all available claims in an organisational field, rather, they are drawn from an identity reservoir. This reservoir is a storage bin of identity claims established through an identity imprinting process during the formation of the organisation. Authoritative organisation members, selected audiences (in this case consumers) and peer organisations provide the identity sources for the imprinting process. This identity reservoir then encompasses claims about the organisation's fundamentals and activities (such as its mission, business model and personnel) that form the formal and symbolic core of the organisation (Kroezen and Heugens 2012, p.99–116). Organisation members can reference this set of identity claims when attempting to interpret and construct their organisation's

identity as part of the identity enactment process. Hence, this aspect of their conceptualisation of OI is consistent with a social actor perspective. Drawing on these conceptualisations of OI as both process and a set of (bounded) claims, the following section discusses the mobilisation of OI for this study.

3.2.3 Mobilisation of Organisational Identity for this Study

OI is mobilised within this study as one part of an interpretive guide to capture and understand how a new process can emerge and embed within an organisation. Incorporating both social actor and social construction perspectives of OI, and in particular the work of Kroezen and Heugens (2012), OI is conceived of as encompassing a set of identity claims, an enacted identity and ongoing identity work to establish or maintain these claims. Given that the CC Group is a family-owned company, it is likely that family members play a significant role in the identity work (Dyer Jr. and Whetten, 2006; Zellweger et al., 2010, 2013) along with non-family, authoritative, organisation members (i.e., the managers and directors of the Group). This conceptualisation of identity as both some sort of *thing* (made up of two intertwined parts) and also always in *process* is helpful in understanding how and why a new organisational process such as a sustainability programme emerges and embeds within an organisation. Initially, OI claims are used by organisation members to filter and respond to internal or external issues (Dutton and Dukerich, 1991; Dutton et al., 1994). In conjunction with this, OI work can be used to relate the new process to “who we are, who we have been and who we wish to become” as an organisation which can be highly motivating for organisation members (Gioia et al., 2000; Gioia and Patvardham, 2012; Pratt, 2012; Kodeih and Greenwood, 2014). In addition, OI work is consequential in that it can make certain courses of action seem more plausible, justified or acceptable (Mueller and Whittle, 2012). Thus it has the potential to contribute to the ongoing legitimation work around new organisational activities and processes. The following section discusses the concept of legitimacy.

3.3 Legitimacy

Suchman’s (1995) seminal definition of legitimacy suggests that it is “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed systems of norms, values, beliefs and definitions” (p.574). In unpacking this broadly based and inclusive concept of legitimacy (Suchman, 1995), there

are a number of conceptual and measurement dimensions to consider (Ruef and Scott, 1998). These elements include: the level of the entity seeking legitimacy; the constituents (an audience or set of interviewees) who construct a collective perception of legitimacy; the constituents' evaluation framework (a socially constructed system of norms, values and beliefs); the types of legitimacy being sought; and the strategies for acquiring legitimacy. Each of these elements can be viewed from a number of levels or perspectives (Ruef and Scott, 1998; Johnson et al., 2006). Suchman's work (1995) suggests three dimensions of legitimacy (pragmatic, moral and cognitive) (see Section 3.3.1) and a continuum of legitimation strategies that range from passive conformity to relatively active manipulation of the audience and their requirements (see Section 3.3.2). Suchman's definition focuses on conceptualising a state of legitimacy, but there is also recognition that this state is dynamic and temporal. Legitimacy can be seen as both a state and a process as organisations seek to gain, repair and maintain their legitimacy on an ongoing basis using legitimation strategies (Suchman, 1995; Deephouse, 1996). The entity subject to the legitimacy perception has been considered at the level of: a class of organisations (institutional level); an organisation (strategic level); an organisational sub-unit, function or process (Suchman, 1995; Kostova and Zaheer, 1999; Maclean and Behnam, 2010). The sources of legitimacy are most commonly viewed as either external audiences (such as regulatory agencies, the media, consumers, financial market interviewees, organisational stakeholders and the general public) or internal organisation members (directors, managers and staff) (Elsbach and Sutton, 1992; Kostova and Zaheer, 1999; Human and Provan, 2000; Lu and Xu, 2006; Kumar and Das, 2007; Schaefer, 2007). The framework of values, norms, rules and meanings can be constructed at a societal (Golant and Sillince, 2007), organisational (Bridwell-Mitchell and Mezas, 2012) or individual level (Brown and Toyoki, 2013). Section 3.3.1 provides a review of the types of legitimacy, Section 3.3.2 briefly discusses legitimation strategies and the existing literature on internal legitimacy is considered in Section 3.3.

3.3.1 Types of Legitimacy

This section draws on Suchman's (1995) typology of legitimacy; in this model, three types of legitimacy are defined: pragmatic, moral and cognitive. Pragmatic and moral legitimacy are evaluative types of legitimacy that are secured when an audience recognises the specific or generic contribution of an organisation to their well-being or accepts claims for the appropriateness of the organisation's results given their link to societal values or institutional

standards (Golant and Sillience, 2007 p. 1149). Cognitive legitimacy is based on a shared understanding rather than an evaluation of means and ends. Cognitively legitimate organisations are seen as being normal and part of the natural order within their social context (Golant and Sillience, 2007 p. 1150).

Pragmatic legitimacy is concerned with the self-interest of the relevant audience. At its most basic level, pragmatic legitimacy is a sort of exchange legitimacy based on the perceived benefits or value of the practice to a set of constituents (Suchman, 1995; Kumar and Das, 2007). Related to this is influence legitimacy, a more socially constructed concept. In this case, the exchange relationship is based on constituents' belief that the practice is responsive to their larger interest, rather than the specific benefits provided by the practice (Brinkerhoff, 2005). This responsiveness may take the form of allowing certain constituents an opportunity to contribute to the development of the practice (Palazzo and Scherer, 2006) or adopting the constituents' standards of performance (Suchman, 1995). A third form of pragmatic legitimacy is dispositional legitimacy; in this case constituents attribute certain positive characteristics to the practice and perceive it as inherently "trustworthy" or "honest" and "having our best interests at heart" (Suchman, 1995, p.578).

Moral legitimacy centres on judgements about whether a practice is the right thing to do (Suchman, 1995; Brinkerhoff, 2005). Unlike pragmatic legitimacy, which is based on the value or benefit of a particular practice to the evaluator, moral legitimacy is based on a normative evaluation of the practice. Again, there are several variants of moral legitimacy. Consequential legitimacy involves judging a practice by what it accomplishes. In other words, is the practice perceived by key constituents as "doing things right" by achieving valued and desired results (Brinkerhoff, 2005, p. 3)? In some cases, it can be difficult to detect or measure the outcomes from a practice, and in these circumstance practices can gain legitimacy by following socially valued, validated or mandated practices (Brinkerhoff, 2005, p. 3). This procedural or technical legitimacy is derived from "doing things the right way" (Suchman, 1995; Brinkerhoff, 2005). Procedural legitimacy is particularly important in the absence of measurable outcomes, but, even when outputs are easily measured, positive moral value may still be accorded to practices that are perceived as employing the proper means and procedures (Suchman, 1995, p. 580). Structural legitimacy is based on the perception that the practice as a whole has the capacity to perform specific types of work (Suchman, 1995, p. 581). The practice is perceived as "right for the job" (Brinkerhoff, 2005, p. 3). The final, less

common, variant of moral legitimacy is personal legitimacy, which involves the charisma of individual organisational leaders (Suchman, 1995, p. 580). Constituents attribute moral legitimacy to a practice not because of its outcomes or the procedures it employs but because of the perceived personal legitimacy of the representative promoting the practice (Brinkerhoff, 2005; O'Dwyer et al., 2011).

Cognitive legitimacy is based on cognition rather than on self-interest or moral evaluation (Suchman, 1995, p. 582). This type of legitimacy derives from the practice “making sense” to the audience (Brinkerhoff, 2005, p. 4). There are two variants of cognitive legitimacy: comprehensibility and taken-for-grantedness. Comprehensibility stems from the availability of a cultural framework that provides a plausible explanation for the existence of the practice and its outcomes (Suchman, 1995; Brinkerhoff, 2005). To gain this type of legitimacy, a practice must accord with both a larger belief system and with the experienced reality of the audience’s daily life (Suchman, 1995, p. 582). Taken-for-granted legitimacy means that the practice is seen as a “fact of life” (Zucker, 1991, p. 86). This is the most subtle, most powerful and most difficult to achieve form of legitimacy (Suchman, 1995, p. 583).

In practice, there are “fuzzy boundaries” (Brinkerhoff, 2005, p. 10) between the three types of legitimacy. Although analytical distinction can be made between each type, in most real-world settings they co-exist (Suchman, 1995, p. 584). Further, although all three types are often mutually reinforcing, they may also come into conflict. Appeals to constituents’ self-interest can negate moral claims, and hollow moral platitudes may signify the evasion of pragmatic exchanges (Suchman, 1995). There is also a relationship between the ease with which a particular form of legitimacy is attained and its longevity. Pragmatic legitimacy can be the easiest form of legitimacy to attain, but it is the least durable due to its focus on short-term material incentives and its vulnerability to changes in the perceptions of key constituents (Kumar and Das, 2007). As cognitive legitimacy is the most difficult to achieve, it is also the most durable. The following section discusses the strategies that can be employed to build each type of legitimacy.

3.3.2 Legitimation Strategies

Suchman (1995) identifies three broad strategies for gaining, repairing or maintaining legitimacy. Each strategy involves a mixture of actual change to a practice and persuasive communication about the practice. They fall along a continuum of relatively passive

conformity to relatively active manipulation of constituents and their requirements (Suchman, 1995, p. 587). The strategies include: efforts to conform to the requirements of existing audiences within the organisational environment; efforts to select among multiple environments to find a supportive audience; and efforts to create new audiences and new legitimating beliefs. Conforming to the requirements of existing audiences entails making the practice seem desirable, proper and appropriate within the existing organisational environment. Environmental selection involves seeking an environment where the constituents will support the practice as it is (Suchman, 1995). Whereas most practices will gain legitimacy primarily through conformity and environmental selection, for some, these strategies will not suffice (Suchman, 1995, p. 591). In such cases, proponents of the practice must create new explanations for the practice. This requires the creation of new audiences and new legitimating beliefs (O'Dwyer et al., 2011). Table 3.1, (p.34) adopted from O'Dwyer et al. (2011, p. 37), summarises Suchman's typology of legitimacy.

These legitimisation strategies emphasise the role of organisations, and in particular managers, within organisations, seeking to persuade external audiences with discretionary control over material or symbolic resources (Golant and Sillince, 2007, p.2007) to accord legitimacy to the organisation. Less has been said about how internal legitimacy is conferred or withheld by internal audiences (Maclean and Behnam, 2010, p.1501)

Table 3.1 Summary of Suchman's Typology of Legitimacy

Type of legitimacy	PRAGMATIC	MORAL	COGNITIVE
Sub-types of legitimacy	Exchange; influence; dispositional	Consequential; procedural; personal; structural	Comprehensibility; taken-for-grantedness
Values addressed	Audiences' specific or broader self-interest	Audiences' views on welfare of society	Subconscious attitudes of what is appropriate, proper and desirable
Durability	Low ←		→ High
Ease and speed of establishment	Easy / Fast ←		→ Difficult / Slow
<i>Broad strategies of legitimation for new practices</i>			
Conform: Conform to requirements of existing audiences	Show how the new practices meet instrumental demands of key audiences; offer influence over shape of new practices; trade on organisation's strong reputation in related fields	Show how new practices produce socially desirable outcomes; associate new practices with respected entities	Show that new practices conform to established models or standards
Select: Pitch practices at new audiences who will support proposed practices	Identify and attract key audiences whose instrumental interests are addressed by the new practices	Identify new audiences whose moral values accord with the new practices	Appropriate a set of standards already accepted in a related area and apply to the new practices
Manipulate: Create new audiences and new legitimating beliefs	Strategic communication to persuade key audiences to value, and to believe they can influence, the new practices	Collective action by many organisations to socially construct an honourable image for the outputs of the new practices; establishing a record of technical success for the new practices indicating how they embrace socially accepted techniques and procedures	Encouraging isomorphism through the standardisation of practice; actions to enhance comprehensibility of new practices (through lobbying, research, etc.)

3.3.3 Conceptualising Internal Legitimacy

Although legitimacy is most extensively theorised and studied as a resource to be acquired from external audiences (governments, regulatory agencies, shareholders and so forth), for an individual organisation or class of organisations (Kostova and Zaheer, 1999; Kumar and Das, 2007; Maclean and Behnam, 2010) internal legitimacy has an important role to play in the acceptance of new activities and processes within an individual organisation. Internal organisation members (directors, managers and employees) make their own legitimacy

evaluations about their organisation and its activities that affect their level of commitment to that organisation or practice (Elsbach, 1994; Ruef and Scott, 1998, p. 880). A smaller but growing body of work has established internal audiences as a source of legitimacy (Elsbach and Sutton, 1992; Kostova and Zaheer, 1999; Human and Provan, 2000; Lu and Xu, 2006; Kumar and Das, 2007; Schaefer, 2007), has provided insight into internal legitimization processes (Drori and Honig, 2013) and has explored the role of internally sourced legitimacy in the success or failure of new organisations or organisational processes (Maclean and Behnam, 2010; O'Dwyer et al., 2011; Drori and Honig, 2013).

At an organisational level, Drori and Honig (2013, p. 347) suggest that internal legitimacy is “the acceptance or normative validation of an organisational strategy through the consensus of its participants, which acts as a tool that reinforces organisational activities and mobilises organisation members around a common ethical, strategic or ideological vision.” Again at the organisational level, Brown and Toyoki (2013, p. 875) define internal legitimacy as “an ongoing set of individual and social processes manifested in an apparent collective acceptance by its members that their organisation is, to some extent, desirable, proper or appropriate” and at the process-level Maclean and Behnam (2010) conceptualise internal process legitimacy “as organisation members’ perceptions of the appropriateness or acceptance of a particular function, subunit or process of their organisation.” Drawing on the work of Suchman (1995), Maclean and Behnam (2010, p. 1501) and Brown and Toyoki, (2013) for the purpose of this study internal process or programme legitimacy is seen as an ongoing set of individual and social processes that manifests in an apparent collective acceptance by organisation members that an organisational process or practice is, to some extent, desirable, proper or appropriate within the organisation’s framework of norms, values and beliefs.

New organisational activities often face a deficit of legitimacy or a liability of newness (Aldrich and Fiol, 1994, p. 663) while organisation members such as employees, managers, and directors evaluate the legitimacy of these activities (Elsbach, 1994; Ruef and Scott, 1998; Maclean and Behnam, 2010; Drori and Honig, 2013). These internal legitimacy evaluations affect organisation members’ level of commitment to that activity (Weaver et al., 1999; Maclean and Behnam, 2010). Gaining internal legitimacy (Brown and Toyoki, 2013) is crucial in integrating a new organisational activity or process (a set of related activities) within an organisation and developing routinized activities that contribute to the temporal

stability of that process (Weaver et al., 1999; Human and Provan, 2000; Basu and Palazzo, 2008; Maclean and Behnam, 2010; Thomas and Lamm, 2012). Some new activities are likely to be more easily legitimated within an organisation than others, as they are established in response to issues that are routine and expected. Routine issues are easily understood and categorised by organisation members and trigger well-known responses (Dutton and Dukerick, 1991). Hence, the resulting activities may be perceived as new, but they are not unfamiliar. Other issues are not as easily interpreted or processed because they are non-traditional or hot issues. Non-traditional issues are ones that have not been encountered in the past and thus do not easily fit well-used categorisation schemes. A hot issue is one which can evoke strong emotions (Dutton and Dukerick, 1991, p. 519).

Arguably, sustainability is a non-traditional issue that can evoke strong emotions. The concept of sustainability encompasses a morass of potential conflicts of interests and information and can be viewed from multiple levels: global or regional ecologies, societies, communities and most problematically at an organisational level (Gray, 2010). Accounting for sustainability is equally problematic and at an organisational level may not even be possible (Gray, 2010). Given the complex, multileveled and contested nature of the concept of sustainability and accounting for sustainability (Gray, 2010), it is a problematic issue and one which is not easy for organisations to interpret, process and respond to. Organisations that voluntarily engage with sustainability struggle to understand: what it means in the context of their organisation; how to balance competing sustainability and economic pressures; how it can be integrated into day-to-day activities and decision making; and how to account for sustainability (Thomas and Lamm, 2012; Frandsen et al., 2013).

In addition to the nature of the underlying issue, new sustainability activities require *active* internal support from both managers and staff (Thomas and Lamm, 2012; Frandsen et al., 2013). The level of support required for a practice also influences the level of difficulty involved in gaining legitimacy. The legitimacy threshold for passive acquiescence can be quite low, whereas for active support the legitimacy demands are more stringent (Suchman, 1995). Thus, new corporate sustainability activities and processes are likely to be susceptible to internal legitimacy deficits. Prior research has highlighted what the hallmarks of successful corporate engagement might look like (for example, an environmental management system and reporting, CEO involvement and openness to engagement with stakeholders) but

internally legitimating and embedding an organisational sustainability programme is a challenging, complex and under-researched process (Thomas and Lamm, 2012; Frandsen et al., 2013). The following section discusses legitimation strategies and the interactions between an organisation's identity and internal legitimation work for a new organisational process or practice.

3.3.4 The Relationship between Organisational Identity and Internal Legitimacy

Work on the external legitimation of new practices has suggested that, during the early stages of the development of a new practice, the focus is likely to be on building the moral and pragmatic legitimacy of the practice at a local level through accounts of how the practice addresses the immediate needs of local constituents (Johnson et al., 2006). A secondary function of these accounts is to increase the comprehensibility of the practice by linking it to more widely established sets of practices (Aldrich and Fiol, 1994; Suchman, 1995; Golant and Sillince, 2007) and the existing widely accepted societal framework of beliefs, values and norms (Johnson et al., 2006, p. 60). However, cognitive legitimacy, in particular comprehensibility, may play a more important role in the emergence of new activities *within* an organisation than previously considered. In relation to the process of internal legitimation, the two variants of cognitive legitimacy — comprehensibility and taken-for-grantedness — need to be considered separately (Bridwell-Mitchell and Mezas, 2012). Comprehensibility relates to having a plausible explanation for the existences of the practice and its outcomes that accords with the audience's framework of norms, values and beliefs (Suchman, 1995; Brinkerhoff, 2005). Taken-for-granted legitimacy means that for “things to be otherwise is literally unthinkable” (Zucker 1983, p. 25). A particular technology (for example, medical treatment for acute appendicitis) or policy may gain this type of taken-for-granted legitimacy, but it is unlikely that an individual organisation, organisational process, practice or practitioner can achieve this status (Suchman, 1995, p. 583). Given modern organisations propensity for continual change (Brown and Eisenhardt, 1997), an individual organisational process is also unlikely to achieve this type of legitimacy. Instead, comprehensibility is the initial cognitive hurdle that a new process or practice must surmount in order to gain internal support (Dutton and Dukerich, 1991; Bridwell-Mitchell and Mezas, 2012).

Bridwell-Mitchell and Mezas (2012) argue that by providing a collective set of claims about the organisation's central distinctive and enduring characteristics, OI is the cognitive context for comprehensibility. OI claims are what allow a new organisational process to make sense

(Dutton and Dukerich, 1991; Gioia and Chittipeddi, 1991; Gioia and Thomas, 1996; Bridwell-Mitchell and Mezas, 2012) to organisation members and can be employed in narratives that provide a plausible explanation (Suchman, 1995; Brinkerhoff, 2005) for the existence of new activities and their outcomes. If an organisational practice is perceived by members as inconsistent with their organisation's identity it will be seen not just as inappropriate but also as incomprehensible (Dutton and Dukerich, 1991; Bridwell-Mitchell and Mezas, 2012, p. 192,). OI claims may also have a role in members' assessments of moral and pragmatic legitimacy (Bridwell-Mitchell and Mezas, 2012). To mobilise organisation members' commitment to an organisational practice, the practice must not only make sense but also have value (Suchman, 1995). An organisation's identity claims may encompass characteristics relating to its ethical or instrumental value to stakeholders (Elsbach and Sutton, 1992; Elsbach and Kramer, 1996; Scott and Lane, 2000b), and this can be used by members in their assessments of the pragmatic and moral value of a process and its outcomes.

The mechanisms through which organisational members employ OI claims when according legitimacy to, or withholding legitimacy from, new activities are not well studied. However, work by Brown and Toyoki (2013) provides insight into how some types of identity talk can also be a form of internal legitimacy work. On the basis of their case study of prisoners in a Helsinki prison, Brown and Toyoki (2013) suggest that in constructing valued, if arguably fantasised, self-identities the prisoners also affirmed or contested the prison's pragmatic, moral or cognitive legitimacy. For example, when talking about their self-development activities, the prisoners talked about the prison as an organisation that afforded them opportunities to work on their preferred version of themselves and in doing so affirmed the pragmatic legitimacy of prison based on their self-interest criteria. The prisoners' identity talk could also contest the prison's legitimacy; prisoners also constructed themselves as long-suffering and unfairly treated and in doing so contested the prison's moral and pragmatic legitimacy. The authors suggest that, in order to understand the dynamics of legitimacy, attention needs to be focused on identity talk in which the legitimacy of organisations is constructed. This study seeks to extend the work of Brown and Toyoki (2013) by examining how (organisational rather than self) identity talk may also be a mechanism for individual organisational actors to construct legitimacy for, or withhold legitimacy from, a new organisational practice or programme. In this respect, talk centred on an organisation's history, culture, key events, strategies, significant individuals and their actions may be

important (Elsbach and Kramer, 1996; Kroezen and Heugens, 2012; Mueller and Whittle, 2012).

This study seeks to evidence, understand and explain the emergence, evolution and (partial) embedding of new organisational activities and their evolution into a new organisational programme between 1998 and 2012. The concepts of legitimacy and OI provide the foundations for a useful interpretative framework (modelled in Figure 4.2, p.60) to capture the complex nature of this unfolding process. This is discussed in detail in the case narrative (Chapters Six to Nine).

3.4 Chapter Summary

This chapter provides an in-depth examination of the two key theoretical concepts, OI and internal legitimacy, applied in analysing and interpreting the case data. The extensive literatures relating to both concepts are discussed, and the relationship between the two concepts is explored. The chapter is divided into three parts. The first section is concerned with discussing how the concept of OI has been defined and understood in the literature. It provides an overview of the definitions of OI from a social actor and a social construction perspectives and criticisms of each perspective. The second section explores the concept of legitimacy and, in particular, internal legitimacy for a new organisational process. The literature concerning the broad concept of legitimacy, types of legitimacy and strategies for building legitimacy is reviewed, followed by a discussion of the concept of internal process legitimacy.

The third and final section of the chapter considers the relationship between OI and internal legitimacy and their role in the emergence and embedding of a new organisational process. This section suggests that establishing cognitive legitimacy, in particular comprehensibility, may play a more important role in the emergence and legitimation of new organisational activities than previously considered (Bridwell-Mitchell and Mezas 2012). This section also highlights the need for an explicit consideration of the role of OI when seeking to understand both *why* and *how* internal legitimacy is established. Arguably, OI claims need to be considered when seeking to understand *why* internal legitimacy, in particular, comprehensibility, is or is not established as these claims provide an organisational level cognitive framework for internal audiences to evaluate a new organisational activity.

Potentially, these claims can also be used to provide explanations for the new practices when seeking legitimacy from key internal audiences. In addition, (organisational) identity talk (Brown and Toyoki, 2013) also needs to be considered when seeking to understand *how* internal legitimacy is established as it offers a mechanism through which individual organisational actors can construct legitimacy for, or withhold legitimacy from, a new organisational activity. Thus mobilising these two theoretical concepts has the potential to provide a robust yet nuanced framework to understand and explain the emergence, evolution and embedding of new organisational activities.

Chapter 4: Research Methodology and Methods

Those who do not have power over the story that dominates their lives, the power to retell it, rethink it, deconstruct it, joke about it, and change it as times change, truly are powerless, because they cannot think new thoughts.

(Rushdie, 1991, p.432)

4.1 Introduction

We are all curious about the world in which we find ourselves and seek to understand it. As a parent to two small children, I am often reminded that our approaches to finding out about the world can vary hugely, even when our environments are very similar. As researchers, we have perspectives on what is in the world, what is knowable about the world and how we gain knowledge about the world (Dey, 2002). Biographical events and experiences play a role in shaping these perspectives, which implicitly and explicitly inform our approach to the research process (Loft, 2004; Silverman, 2010). The first section of this chapter discusses the research approach underlying this study. In addition to the broad methodological approach underpinning the research process, there is the day-to-day work of carrying out a qualitative, interpretive research study. Although there is a wealth of useful guidance available to the novice qualitative researcher, there is a significant experiential learning component involved in this type of research work (O'Dwyer, 2004). Throughout the life of the study, I carefully and repeatedly consulted a selection of texts and articles on the qualitative research process, some of which became very valued travelling companions for me (Miles and Huberman, 1994; Coffey and Atkinson, 1996; Langley, 1999; Llewellyn, 1999; Pentland, 1999; Patton, 2002; Humphrey and Lee, 2004; Silverman, 2006, 2010; Irvine and Gaffikin, 2006; Edmondson and McManus, 2007; Gioia et al., 2012). I also attended research courses and workshops and frequently sought advice from colleagues and my supervisor with the aims of learning the craft of qualitative research (O'Dwyer, 2004) and devising a rigorous, flexible research design and set of methods for data collection, preparation, analysis and interpretation. The remainder of this chapter provides an in-depth discussion of the research design and methods used to carry out the research project.

4.2 Philosophy of Research

A philosophy of research or an approach to research has ontological, epistemological and methodological aspects (Della Porta and Keating, 2008). Ontology is the study of existence and concerns the nature of reality, or the nature of a particular phenomenon's reality (Della Porta and Keating, 2008). Epistemology is concerned with the nature of knowledge, its forms, sources and limitations (Della Porta and Keating, 2008). Methodology is concerned with how knowledge can be acquired (Della Porta and Keating, 2008). The assumptions that a researcher holds regarding the nature of a phenomenon's reality (ontology) will affect their perspective on the form, source and limitations of the knowledge that can be gained about the phenomenon (epistemology) and the process through which this knowledge can be acquired (methodology) (Ryan et al., 2002). This section considers three broad research philosophies — positivism, neo-positivism and interpretivism — that are commonly followed in accounting research (Ryan et al., 2002). The ontological, epistemological and methodological dimensions of these philosophies and their influence on the way that research is conducted (the research process), are contrasted in Table 4.1 (p.43).

A positivist position has its roots in the natural sciences and is characterised by an objective view of the world. This position assumes that reality exists objectively and externally to the human mind and, in principle, is knowable in its entirety (Della Porta and Keating, 2008). Therefore, knowledge is only valid if it is based on observations of this external reality and consists of universal or general laws. Thus, theories should be generalizable, explain cause and effect relationships, and lend themselves to predicting outcomes. In this tradition, the task of the researcher is to describe and analyse the world using scientific methods. A scientific method starts with a well-formulated theory, which is used to formulate hypotheses that express relationships between sets of dependent and independent variables (Ryan et al., 2002, p. 34). A highly structured set of procedures is used to collect data, which are then analysed using mathematical and statistical techniques, leading to a set of context-free generalizable results (Ryan et al., 2002, p.35). The methods used are predominantly quantitative. However, positivist research is not defined by the use of quantitative methods and can be presented in both quantitative and qualitative forms (Crotty, 1998).

Table 4.1 Contrasting Common Research Approaches in the Social Sciences

	POSITIVIST	NEO-POSITIVIST	INTERPRETIVIST
Ontological Perspectives			
Does social reality exist?	Objective; realism	Objective; critical realism	Objective and subjective are intrinsically linked
Is reality knowable?	Yes and easy to capture	Yes, but not easy to capture	Somewhat, but not as separate from human subjectivity
Epistemological Perspective			
Relationship between scholar and research object	Dualism; scholar and object are separate things	Knowledge is influenced by the scholar	Scholar seeks to understand subjective knowledge
Forms of knowledge	Natural laws (causal)	Causal / Probabilistic laws	Contextual knowledge
Methodological perspectives			
How do we gain knowledge?	Empiricist; aiming at knowing the reality	Mainly Empiricist; Recognising context	Relative focus on meanings and context
Conduct of Research			
What is the role of theory?	Emphasis on theory testing - verification	Emphasis on theory testing – Falsification	Range of approaches from an emphasis on theory building to low emphasis on theory
What methods are used?	Following the natural/scientific method (experiments, mathematical models, statistical analysis)	Approximations of the natural/scientific methods (experiments, statistical analysis, surveys, structured interviews)	Seeking meaning (textual analysis, discourse analysis, semi-structured and un-structured interviews)

(Adapted from Della Porta and Keating, 2010)

Neo-positivism accepts a degree of uncertainty and admits that some phenomena are governed by probabilistic rather than causal laws (Della Porta and Keating, 2008, p.24). Thus, hypotheses can only be falsified and cannot be definitively verified (Burrell and Morgan, 2000). Such a position is still rooted in the natural sciences and follows modern scientific developments (Della Porta and Keating, 2008, p.24).

An interpretivist position contends that there are fundamental differences between the natural and social sciences and emphasises the role of human volition and the limitations of causal laws (Della Porta and Keating, 2008, p.24). Thus, an interpretivist epistemology seeks to “understand the fundamental nature of the social world at the level of subjective experience” Burrell and Morgan (2000, p.28). An interpretivist position overlaps with the social construction and social actor perspectives discussed in Section 3.2.1 of Chapter Three (Della

Porta and Keating, 2008). It takes the view that people are meaningful and knowledgeable social actors (Della Porta and Keating, 2008; Gioia et al., 2012) who make sense of situations on the basis of their individual and collective experiences, memories and expectations. In doing so, interpretivism rejects the possibility of an objective reality (Sandberg, 2005). In this tradition, theory is seen as a (partial) way of defining and explaining the social world and social phenomena (Silverman, 2010), and the task therefore of an interpretivist researcher is to not only develop an understanding of the phenomena they are observing but also the interpretation of said phenomena by the study's participants (Lee, 1991). The research methods are predominantly qualitative within a research process that can vary from well-defined (but subject to refinement) to ill-defined and unstructured (Ryan et al., 2002 p.47). The outcomes of such a process include context-specific, rich explanations of cases and refined concepts for the analysis of future cases (Llewellyn, 2003; Della Porta and Keating, 2008).

Interpretative accounting research adopts a holistic orientation and “seeks to provide deep and rich understandings of the social nature of accounting practices, and attempts to locate these practices in their organisational, economic and social contexts” (Ryan et al., 2002, p. 145-46).

This study is concerned with understanding and representing the emergence and development of accounting practices in a real-life organisational context, and the organisation members' perceptions of the legitimacy of this process over an extended period of time. Hence, it adopts an interpretivist or qualitative approach. Section 4.2.1 discusses the role of theory within this approach in greater detail.

4.2.1 The Role of Theory in Interpretivist Research

Interpretivist or qualitative research is often criticised for a lack of theory and being “mere storytelling” (Ahrens and Chapman, 2006, p. 820). However, theory can play an important role in interpretivist research, but one which differs significantly from its role in positivistic studies (Della Porta and Keating, 2008, p. 26). For example, the theoretical framework for an interpretivist study is not always established prior to starting the research as in the positivist approach (Della Porta and Keating, 2008). Instead, theoretical work in interpretivist research can be a pervasive, ongoing activity throughout the conduct of the study (Ahrens and

Chapman, 2006), drawing on theory as a set of concepts used to define and/or explain the field and phenomenon of interest (Ahrens and Chapman, 2006; Silverman, 2010).

The theoretical work for this research involved both conceptualising the phenomenon and field of interest and adopting a theoretical framework, using existing theories, as a way of looking at this phenomenon (Maxwell, 2013). This approach to theory influenced all aspects of the development and conduct of the study. The phenomenon of interest, sustainability accounting, was seen as a social practice (potentially) situated within a broader set of organisational sustainability activities unfolding over time in an organisational field. What followed from this conceptualisation was the choice of a single case study and the use of qualitative methods to allow for the collection of extensive longitudinal data on both the sustainability activities and the organisational context within which the activities were unfolding. The case study method and the choice of case site are discussed in further detail in Section 4.3.

A theoretical framework can be used to illuminate and make sense of what a researcher sees, as it can shed light on events, phenomena and relationships (Maxwell, 2013). The theoretical framework for this study developed through an iterative process of reflection on the data and its positioning, initially, against a range of potential theories and (laterally) against the adopted lenses of OI (organisational identity) and internal legitimacy. The overarching purpose of this framework was to provide a vehicle to understand and communicate about the development of sustainability accounting in a specific set of circumstances (Ryan et al., 2002; Ahrens and Chapman, 2006).

4.3 Case Study Method

The term *case study* usually refers to research that examines a case (which can be an individual, a community or a company), or a small number of cases, in considerable depth (Hammersley and Gomm, 2000; Della Porta and Keating, 2008). In interpretivist research, using a case study method provides the researcher with the opportunity to understand social practices in a specific context (Ryan et al., 2002, p.148). Frequently, the term *case study* is also associated with the collection of unstructured data and the qualitative analysis of these data (Hammersley and Gomm, 2000). Such data can include artefacts (such as formal reports, meeting minutes and informal records), questionnaires, interviews and observation (Ryan et al., 2002). The main sources of data for this study were semi-structured interviews and the

sustainability reports produced between 2001 and 2012. The external sustainability reports provided a formal narrative that explained the company's motivations for engaging with sustainability and a chronicle of events (Pentland, 1999). The reports were viewed as one source of narrative about the sustainability programme and one that could provide only limited insight into the organisational context within which the process had emerged and developed. Multiple narratives and points of view are possible, and context can provide information that is essential to the interpretation of events (Pentland, 1999). The group members were viewed as knowledgeable agents who could explain their actions, experiences, thoughts and intentions and could provide retrospective and real-time narratives (Gioia et al., 2012) on the emergence and evolution of the sustainability programme and their broader perceptions of the CC Group. The selection of the CC Group as the case site for the study is discussed in the next section.

4.3.1 Case Site Selection

The case was selected because it seemed to be inherently interesting and unusual rather than a typical case (Stake, 1995). An unusual case can help to highlight matters overlooked in typical cases and the limits of existing theories (Stake, 1995; Flyvbjerg, 2011). The CC Group case has a number of differences when compared with the existing engagement-based cases on sustainability or social and environmental accounting. Foremost of these is that the CC Group is a family-owned group of companies. Family companies can be defined using a number of characteristics. Smith (2007) suggests three broad criteria for identifying family companies: firstly, a self-selection criteria, where members of the company perceive their company as being a family company; secondly, where a company's managers are drawn from a single dominant family group; and, thirdly, where a controlling stake in the company is owned by a single family. The CC Group meets the first and third criteria. Although there is an extensive literature on family companies particularly in the area of entrepreneurship and succession, their engagement with sustainability is largely unexplored (Berrone and Gomez Mejia, 2009; Bebbington and Larrinaga, 2014). Much of the existing literature is focused on voluntary social or environmental accounting reporting by public companies (see, for example, Buhr, 1998; Neu et al., 1998; Campbell, 2000; Deegan et al., 2000; Wilmhurst and Frost, 2000; Deegan et al., 2002; Milne and Patten, 2002; O'Donovan, 2002; De Villiers and Van Staden, 2006; Cho, 2009; Cho, Roberts et al., 2010; Cho et al., 2012) and suggests that

these disclosures are motivated by external pressures and are part of a public company's strategy to gain, maintain or restore (undeserved) legitimacy from an external audience (Buhr, 1998; Neu et al., 1998; Guthrie and Parker, 1989; Deegan et al., 2002; Milne and Patten, 2002). Recent large-scale studies (Cho, Freedman et al., 2010; Cho, Roberts et al., 2010; Cho et al., 2012) have provided evidence that such a strategy can be successful.

According to much of the existing literature on family companies, their culture, governance and management activities are different from those of non-family companies (Sharma et al., 1996; Chami, 1999; Cromie et al., 1999; James, 1999; Mishra et al., 2001; Chrisman et al., 2003; Ibrahim et al., 2004). The differences between family- and non-family-owned companies are most frequently attributed to the dual nature of family companies (James, 1999; Chrisman et al., 2003; Smith, 2007). The family system differs from the business system in areas such as the reasons for the existence of the company, culture, decision making, acceptable behaviour rules and non-financial goals (Sharma et al., 1996; Zellweger et al., 2010; Zellweger et al., 2013). Although the bulk of the literature on family companies argues that there is a plethora of differences between family and non-family companies, a recent, empirical, Australian-based study by Smith (2007) suggests that there are fewer actual differences between family and non-family companies than has been suggested by much of the extant literature. The literature on family companies often treats them as a homogenous group, but Smith (2007) suggests that in many cases, family companies are more similar to other companies in their industry than other family companies. Although many of these differences may be perceived rather than actual (Smith, 2007), studies of family companies' engagement with sustainability issues suggest that there are some actual performance differences between family- and non-family-owned companies (Dyer and Whetten, 2006; Berrone et al., 2010).

Large-scale quantitative studies of the differences between family- and non-family-controlled companies in relation to sustainability performance are rare. Dyer and Whetten (2006) compared the degree of social responsibility between family- and non-family-controlled companies in the S&P500 over a 10-year period and found that family companies do as well as, or better than, non-family companies in several areas of social initiatives and that they are particularly adept at avoiding social concerns (actions that would cause the company to be

labelled as socially irresponsible). The authors suggest that this is due in part to the fact that the controlling families wish to protect their family reputation and image from any negative publicity on the part of the company. Berrone et al. (2010), using a sample of 194 U.S. family- and non-family-controlled public companies required to report their emissions, found that family-controlled public companies had better environmental performance. However, in-depth, engagement-based studies of sustainability activities in family-owned businesses which provide insight into how these activities emerge and evolve are absent from the literature on family business and also from the literature on sustainability accounting (Bebbington and Larrinaga, 2014).

In addition, the CC Group operates in a country with few external socio-political pressures, then or now (O'Dwyer, 2001; Maughan, 2006, 2007; Sweeney, 2007, 2008; Canning and O'Dwyer, 2013), for engaging with and reporting on sustainability. Far from being a poor environmental performer, the CC Group's environmental management system and performance has been recognised as industry leading not just in Ireland but internationally. Hence, the CC Group seemed to be an unusual case in the context of the existing studies of corporate engagement with sustainability issues and reporting. Although the case site seemed to offer an interesting context in which to explore the emergence and evolution of a sustainability programme, there was a considerable amount of ambiguity and uncertainty as to how the research would proceed. The extent of the access that the company would allow, the extent of the data collection needed, the appropriate theoretical grounding for, and the ultimate contributions of the research were not fully clear at the start of the study. As with many projects of this type, this ambiguity persisted to a greater or lesser extent for the duration of the project (Irvine and Gaffikin, 2006). The research intent and questions for the study, which are discussed along with the related research questions in Section 4.4, acted as a guiding principle in dealing with this ambiguity.

4.4 Research Intent

The study, from its outset, was motivated by a core, open-ended research intent (Berry and Otley, 2004, p. 235): to evidence, understand and explain the emergence, evolution and embedding of sustainability accounting and activities within a family-owned group of

companies. The research intent was shaped by an initial literature review of the academic work surrounding corporate sustainability accounting and the observation that the case company's engagement with sustainability accounting and activities was not convincingly explained by the existing work in the area. It became a guiding principle for choices made in relation to research design, data collection and engagement with the literature, analysis and interpretation. It drove the development, firstly, of the empirical research objectives for the initial cycle of data collection and analysis and, secondly, the research questions for the main phase of data collection and analysis.

4.4.1 Research Objectives and Questions

The research objectives for the initial cycle of data collection and analysis were empirically focused and centred on developing an understanding of:

- the company's history, culture and organisational structures;
- the company's experience of engaging in new environmental activities;
- the company's motivation for engaging in external social and environmental reporting;
- the evolution of the reports and the reporting process;
- the costs and benefits of the reports and the new activities;
- the internal support for, or resistance to the reports and the new activities; and
- the support for, or resistance to, the reports and any new activities from the company's wider network (franchisees and suppliers).

Following on from the first cycle of data collection and analysis, the research questions for the study were articulated as follows:

1. Why and how did an environmental management system emerge and evolve between 1998 and 2003 in the CC Group?
2. Why and how did a sustainability programme evolve and embed between 2003 and 2012?
3. Why and how did external sustainability reporting grow and subsequently decline between 2001 and 2012?

Given the nature of the research intent and questions (focused on why and how the sustainability activities and reporting emerged and developed), an iterative, flexible and

theoretically open research design was most suited to addressing them (Langley, 1999; Pentland, 1999; Edmondson and McManus, 2007; Langley et al., 2013).

4.5 Research Process

The study was based on a longitudinal, flexible and iterative process of inquiry with the objective of obtaining rich, detailed and evocative data to address the study's research intent (Langley, 1999; Berry and Otley, 2004; Edmondson and McManus, 2007; Gioia et al., 2012; Langley et al., 2013). This involved several cycles of literature review, data collection and analysis, drafting working papers, feedback and revisions, and data interpretation. This iterative approach is particularly suited to understanding how a process unfolds over time (Edmondson and McManus, 2007) and supported the project's initial research intent. Figure 4.1 (p.51) provides an overview of the research process. All of the phases of the process overlapped to some extent. In particular, the last three phases (four, five and six) of data collection, analysis, feedback and revision substantially overlapped.

4.5.1 Phase One: Research Design

Prior to the fieldwork, an initial literature review was undertaken. The purpose of this review was twofold: firstly, to identify the broad research intent for the study and inform the selection of the research site and, secondly, to familiarise myself with qualitative enquiry techniques and inform the design of the study. In reviewing the existing studies of sustainability accounting interventions, I took note of the theories employed in these studies but sought to remain open to other theories and concepts that could emerge during data collection and analysis. Following on from this, the case site was selected and background research on the CC Group was carried out. This consisted of a review of the company's website and a first reading of their available sustainability reports and policies and other company documents (the sustainability reports from 2001 to 2006; the social and environmental policies; the annual financial reports; and the company's mission statement).

The purpose of this initial reading was: to gain an overall understanding of the organisation; to help in charting the evolution of the sustainability programme; to identify any data relating to the motivation for producing the sustainability reports; to identify potential interviewees; and to inform the construction of the semi-structured interview guide. On completion of the initial literature review and background research, the research objectives and design for the

Figure 4.1 Overview of the Research Process and Outputs

PHASES		OUTPUTS
1	Research Design <ul style="list-style-type: none"> - Identification of area of interest - Empirically focused literature review - Background research on Irish context and target company - Access negotiated with case company 	<ul style="list-style-type: none"> Research intent Study design Empirical research objectives Interview guide ESRA reports
2	Data Collection and Analysis <ul style="list-style-type: none"> - Document collection (Appendix A, 1–4, 9–19) - Interviews with group members (Appendix B, 1–6) - Coding and analysis of data - Data-driven literature review 	<ul style="list-style-type: none"> Coded transcripts Cognitive maps Coding matrices Collated codes Description and summary of external reports Thick description 1 Key themes analysis Working paper 1
3	Feedback and Revisions <ul style="list-style-type: none"> - Supervisor feedback and guidance - Conference presentations (Appendix F, 1 – 6) - Theoretical literature review - Development of theoretical framework - Identification of need for further data collection 	<ul style="list-style-type: none"> Working paper 1 (Appendix F) Refined research objectives Interview guide
4	Data Collection and Analysis <ul style="list-style-type: none"> - Document collection (Appendix A 5–8, 20–69) - Interviews with group members/stakeholders (Appendix B, 7– 22) - Company archive visit - Interviews with BITCI consultants (Appendix B) - Coding and analysis of data - Update of theoretical and empirical literature review 	<ul style="list-style-type: none"> Coded transcripts Cognitive maps Coding matrices Collated codes Updated description and summary of external reports Updated thick description Updated key themes analysis Working paper 2 and 3 (Appendix F)
5	Feedback and Revisions <ul style="list-style-type: none"> - Supervisor feedback and guidance - Conference presentations (Appendix F, 7 – 9) - Further development of theoretical framework 	<ul style="list-style-type: none"> Working paper 4 (Appendix F) Draft dissertation chapters
6	Final Data Review and Analysis <ul style="list-style-type: none"> - Full dataset review - Iteration between interpretation and literature 	<ul style="list-style-type: none"> Data structure Chronology Process Model Working paper 5 (Appendix F) Final draft dissertation

study were drawn up. The type of data to be collected and the extent of the data collection were not fully prescribed at this phase of the study. The design focused on ensuring the procedural reliability (Ryan et al., 2002, p. 155) of the study by setting out protocols for data storage, keeping detailed field notes, producing transcripts and documenting the data analysis and interpretation. This ensured that there was rigorous documentation, at every phase of the research process, of my thoughts, ideas and decisions.

4.5.2 Phase Two: Data Collection and Analysis

The first phase of fieldwork was carried out in 2007. As is common for this type of study (Gioia et al., 2013), multiple data sources (company documents, media documents, field visits and semi-structured interviews) were used. The core data (Gioia et al., 2013) for the study consisted of the sustainability accounting documents (sustainability reports and internal accounting documents) and the semi-structured interviews. The following sections describe the data collection of both the documents and interviews.

4.5.2.1 Document Collection

The study draws on a substantial number of documents (Appendix A). In addition to the externally published sustainability reports and policies, documents were obtained from many of the interviewees. Overall, an extensive set of documents was assembled, relating mainly to the sustainability programme but also to the company's history, current governance and operations.

4.5.2.2 Interview Data

Six semi-structured interviews were carried out with a range of members of the CC Group. Appendix B sets out details of the interviews and interviewees. A master interview guide (Appendix C), based on the empirical research objectives and consisting of a number of broad, open-ended questions, was prepared. The questions posed in each interview remained broadly consistent with this guide, with some variations to take account of the interviewee's position within the company and role in the sustainability programme. The interviews were semi-structured and took the form of a guided conversation (Patton, 2002; Silverman, 2010) around the interviewee's perception of the emergence, evolution and embedding of the sustainability activities.

The first six interviews carried out in 2007 focused on key participants in the emergence and development of the environmental management system and external reporting. These interviewees included the environmental executive⁷; an external environmental consultant who had worked extensively with the company since the start of the environmental management system; the now retired Group Managing Director who was in office during the emergence of the environmental management system; two of the environmental action team leaders; and the divisional director who was originally responsible for the process. In the early phases of the sustainability programme, the company drew heavily on the expertise of an external environmental consultant, who coordinated many of the initial projects and the reporting process, and continues to work with the company to the present day. The environmental action team's role was to set out the environmental and social projects for its division. Each team then managed these projects throughout the year and evaluated progress at their meetings. The teams reported to their respective divisional boards. The environmental executive's role includes co-ordinating work between the company's divisions, developing policy, publishing the sustainability reports and reporting to the group board.

The first interviewee initially declined to be recorded but, approximately 30 minutes after the interview commenced, decided to allow the recording of the remainder of the interview. Detailed notes were taken during the initial un-recorded period. Much of what was discussed during this un-recorded period was subsequently repeated during the course of the recorded period of the interview. All of the remaining interviews were recorded in full.

An initial review of each interview was carried out shortly after they were conducted by listening to the recordings and re-reading the interview notes. This review of the interviews helped to validate my understanding of how the sustainability activities had emerged, as I continually verified my understanding with the interviewees' accounts and the external reports. This review then informed further data collection by identifying gaps in the information and emerging issues to be explored (Coffey and Atkinson, 1996; Silverman, 2006). Field notes were kept throughout the data collection phases. In keeping field notes, the objectives were: firstly, to note any factors about the place, time and relationship with the interviewee that might be important to take account of during the analysis of the data (Jones, 1985); secondly, to provide a provisional record of analysis and interpretation and use this to

⁷ This title was changed to the Sustainability Executive by the second round of interviews.

inform further data collection (Spradley, 1979; Miles and Huberman, 1994; Coffey and Atkinson, 1996); and, thirdly, to ensure that I reflected on my interview techniques and sought to refine my approach in subsequent interviews. Brief notes were made during each of the interviews. Expanded notes were made as soon as possible after each interview, which noted: the time and place of the interview; the interviewees' reaction to the questions; my perception of the rapport between myself and the interviewee; the quality of the information obtained; key themes in the interview and any contradictions with previous interviews (Spradley, 1979; Jones, 1985; Miles and Huberman, 1994). The interview data were then prepared for coding.

4.5.2.3 Data Preparation

Data preparation was consistent for all interview data collected. Each interview was transcribed. The first two interviews were with key participants in the development of the sustainability activities. I transcribed these interviews myself to get a better feel for the data (O'Dwyer, 2004). The remaining interviews were professionally transcribed to maximise the time available for the analysis of the interviews. Detailed notes were made during and just after the transcription process for the first two interviews and during the reading and correction process for all other interviews. The purpose of these notes was to record the key themes emerging from the data and any significant insight or ideas in relation to the data. I listened to each interview a minimum of three times: firstly, while reading the transcript to make sure it was accurately transcribed; secondly, during the coding process; and finally, during the analysis and writing up of the data. Several interviews were listened to more frequently than this as they were particularly rich in insight.

4.5.2.4 Data Analysis

Once the transcription process was complete, the transcripts were manually coded and analysed to identify significant themes within the data. As each transcript was coded, the field notes relating to that particular interview were re-read for any information that might be pertinent to the coding process. A set of broad descriptive (loose) codes emerged from the data. Once all of the interviews had been analysed, the documents were re-read and analysed in order to identify any common themes or inconsistencies between the interviewees' accounts and the documents, and to inform the writing of the case narrative. As the

sustainability reports were directly related to the research objectives of the study, they were reviewed in detail, and a narrative description and analysis of the reports was prepared.

Data analysis broadly followed the three phases suggested by Coffey and Atkinson (1996): data display, exploring the codes and transforming the coded data into meaningful data. All data that related to a particular code were gathered together by physically cutting up copies of the transcripts. Simple cognitive maps were produced for each interview. These maps were useful in trying to retain a sense of the original context of the data. Detailed notes were made throughout the data analysis and interpretation process to record thoughts and ideas about the data and its impact on the research questions. Themes, patterns and regularities as well as contrasts, paradoxes and contradictions within the data were noted. From these notes along with the transcripts, the company documents, the field notes and the cognitive maps a narrative account was generated with the aim of providing a thick description (Denzin, 1994; Patton, 2002) of the CC Group context and the chronological development of the sustainability activities. As part of this process, any quotes that seemed insightful or illuminating were highlighted. A document summarising the key themes from the data was also drawn up. Finally, a draft working paper from the study was prepared. This paper focused on the internal motivations for, and evolution of, the sustainability activities within a family-owned business. It drew on the literature on family businesses and accountability to provide some insight into the organisational context in which the activities were unfolding, but lacked a substantive theoretical framework for interpreting the data. This paper along with the description and analysis of the reports, the thick description and the key themes analysis formed the basis for the feedback and revision stage.

4.5.3 Phase Three: Feedback and Revision

A crucial source of feedback during this stage of the study was my doctoral supervisor, Professor Brendan O'Dwyer. I had immersed myself in trying to understand the organisation's experience of the sustainability programme and Professor O'Dwyer provided an outsider perspective, questioning naïve interpretations (Gioia et al., 2012) and encouraging the development of the theoretical framing of the study. The theoretical framework for the study, using both OI and internal legitimacy, emerged from our discussions of the thick description, key themes analysis and draft working paper. A literature review was undertaken to explore the literature on OI and legitimacy. This review informed the subsequent data collection, analysis process and theorisation for the study. The research objectives were then

expanded to take account of the theoretical objective of the study. A revised working paper was also prepared. Both supervisory and conference feedback were obtained on this paper. The development of the theoretical framework and the feedback on the papers informed the composition of the interview guide for the second round of data collection.

4.5.4 Phase Four: Data Collection and Analysis

A further phase of field work was undertaken between April 2010 and December 2012. The process followed for the collection, preparation and analysis for these data was consistent with that for Phase Two with the exception that NVIVO was used to code the transcripts. The switch to coding in NVIVO provided better tools for organising and interrogating the data from a larger set of transcripts.

4.5.4.1 Document Collection

A more extensive set of documents was gathered during this stage of study (Appendix A 5–8, 19–69). Most of the documents were sourced from the interviewees with the remainder coming from the company website or media sources. Again, the majority of the documents pertained to the sustainability programme, but there were also a small number of documents relating to the CC Group’s governance process and structures.

4.5.4.2 Interview Data

Twenty-one more interviews were carried out between April 2010 and December 2012. The interviews were carried out with a broader pool of interviewees and provided a longitudinal perspective on the evolution of the process. Two master interview guides consisting of a number of broad, open-ended questions were devised; this time based on the expanded research objectives (Appendix D for group members and Appendix E for retailers). These were then tailored to each interviewee depending on their area and level within, or connection to, the company. Although the sustainability programme was still a key focus of the interviews, there were also questions designed to elicit the interviewee’s perception of the Group’s OI.

Four of the interviewees from the original round of data collection were re-interviewed. Two of the interviewees from the first round of data collection were not re-interviewed as they had both retired from the company. The majority of interviewees were group members representing a range of levels within the company, including group directors, divisional

directors, senior executives, managers and staff. There were also a number of external interviewees: the environmental consultant was re-interviewed along with several store owners. These interviews yielded a comprehensive view of the evolution and embedding of the activities across the company's main operations (logistics, warehousing, wholesale, store development, retailing, product development, finance and HR). Extensive field notes were again kept throughout the interview process. An initial review was also carried out after each interview, again to help to validate my understating of how the sustainability programme unfolded and to inform further data collection (Coffey and Atkinson, 1996; Silverman, 2006). The interviews were then prepared for coding and analysis as described in Section 4.5.2.3.

During this period of interview data collection, I also carried out five interviews with consultants from the NGO, Business in the Community Ireland (BITCI). As the interviewees were all knowledgeable practitioners engaged with a broad spectrum of Irish companies, they gave a broader perspective on the corporate sustainability landscape in Ireland. The interviews were not analysed as part of the data directly relevant to the research objectives. Rather, in addition to the relatively sparse body of academic literature available on Irish corporate sustainability activities, these interviews informed my understanding of the background context for the study discussed in Chapter Five.

4.5.4.3 Data Coding and Analysis

The coding process was primarily data-driven. I drew on some codes from the first round of data collection and the theoretical framework, while also seeking to remain open to codes suggested by the data itself. New codes emerged from the data, and some of the codes from the first round of data coding were not as prevalent in the second rounds. Once the initial coding was completed for all of the interviews, each coded transcript was printed and reviewed.

At this stage of the study, the number of codes ballooned (Gioia et al., 2012) to over 60 codes. The process of lifting up out of the data began (Coffey and Atkinson, 1996; Silverman, 2010; Gioia et al., 2012). Patterns, differences and similarities between the codes were identified (Miles and Huberman, 1994; Coffey and Atkinson, 1996; Gioia et al., 2012). The codes were linked to broader categories, split into sub-categories, or renamed and re-sorted as appropriate. This organised the codes into just over 20 categories. The categories were then used to make pathways through the data (Coffey and Atkinson, 1996). Detailed notes were

made throughout this process to record thoughts and ideas about the data. The analysis in this phase had two aims: firstly, to update the facts (Miles and Huberman, 1994) of the sustainability programme's evolution from the point of view of the interviewees; secondly, to develop the theoretical themes to describe and explain the phenomenon being observed (Gioia et al., 2012).

The analysis was documented by preparing updates to the description and analysis of the reports, the thick description and the key themes. During the preparation of these updates, I constantly referred back to the transcripts, data for each code, field notes, mind maps and company documents, as well as keeping notes on further reflections on the data. Revised working papers (two and three) were also drafted. These papers were an initial attempt to analyse the data at a programme and activity-level and build the final interpretation of the data.

4.5.5 Phase Five: Feedback and Revision

Feedback at this stage of the project was sought from both the interviewees in the study and my supervisor, peers and experienced researchers. The evolving analysis of the data was discussed with a number of the study interviewees during informal meetings at the company's premises, industry events and conferences. Extensive supervisory feedback was given through face-to-face meetings, phone calls and written comments on the draft papers. A series of paper and oral presentations at doctoral colloquia, conferences and workshops (Appendix F) as well as extensive informal discussions with colleagues provided feedback on my data analysis and interpretation from a panel of peers and experts. Comments and questions posed during these feedback sessions were helpful in ensuring that the case narrative was clear and credible and that the emerging theoretical interpretation was plausible.

4.5.6 Phase Six: Final Data Review, Analysis and Write Up

Having assembled the full dataset for the study, I undertook a final review of the data to ensure that I had a fresh, comprehensive view of the data as a whole. This involved revisiting the original transcripts and documents (in particular the internal accounting documents and the sustainability reports), as well as reviewing the field notes, mind maps, coding, thick description, report analysis, working papers and research journals. The final data interpretation work adapted an approach suggested by Gioia et al. (2012). This involved

developing a data structure, a chronology of the process and a model of the data through an iterative process of circling back and forth between the data and relevant literature (Elsbach and Sutton, 1992; Gioia et al., 2012).

The data structure presented in Table 4.2 (p. 62) provides a visual ladder between the empirical and theoretical perspectives. In a departure from the data structure format proposed by Gioia et al. (2012), the data structure for this study also includes a literature column. While agreeing with the argument of Gioia et al. (2012) that a forgetting of the existing literature is necessary to remain open to the data and avoid theoretical closure, this stage of the analysis was characterised by a process of considering the data and the literature in tandem (Elsbach and Sutton, 1992; Langley, 1999; Gioia et al., 2012). The literature column notes the articles that substantially informed this process. The final steps in the data interpretation process were to develop a model (Figure 4.2, p.60) and chronological overview (Figure 4.3, p.61) of the emergence, evolution and (non) embedding of the sustainability programme and reporting. The chronology is used to structure the case narrative in Chapters Seven to Nine, and the model is used to structure the case discussion in Chapter Ten.

4.6 Chapter Summary

This chapter is divided into three sections. The first section discusses the research philosophy underlying the study. The second section discusses the research intent and research questions and objectives for the study. The third section provides a detailed discussion of the iterative and flexible research process used for the study.

Figure 4.2 Embedding a New (Sustainability) Process

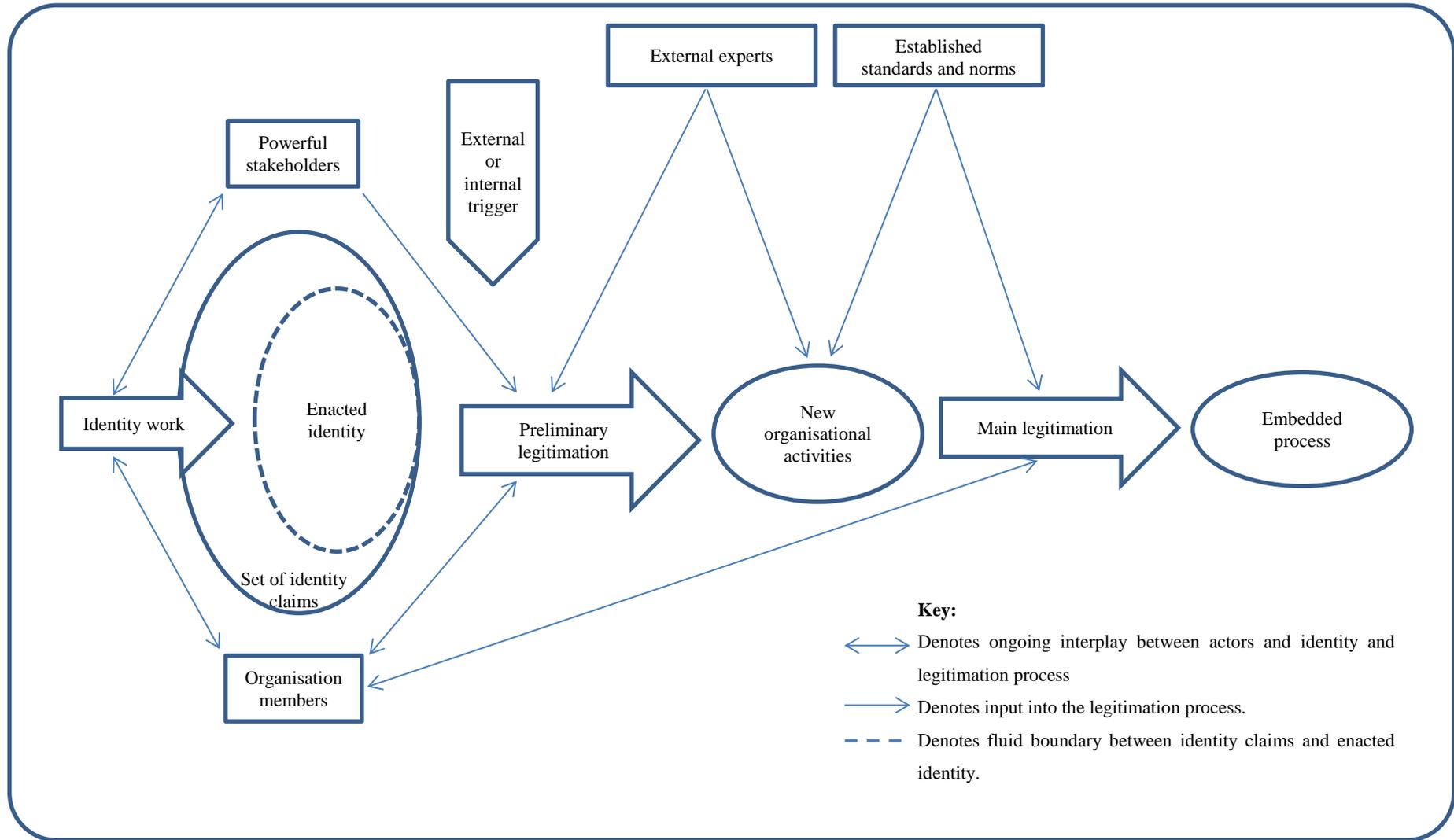


Figure 4.3 Chronology of the Emergence, Evolution and (Partial) Embedding of the Sustainability Programme

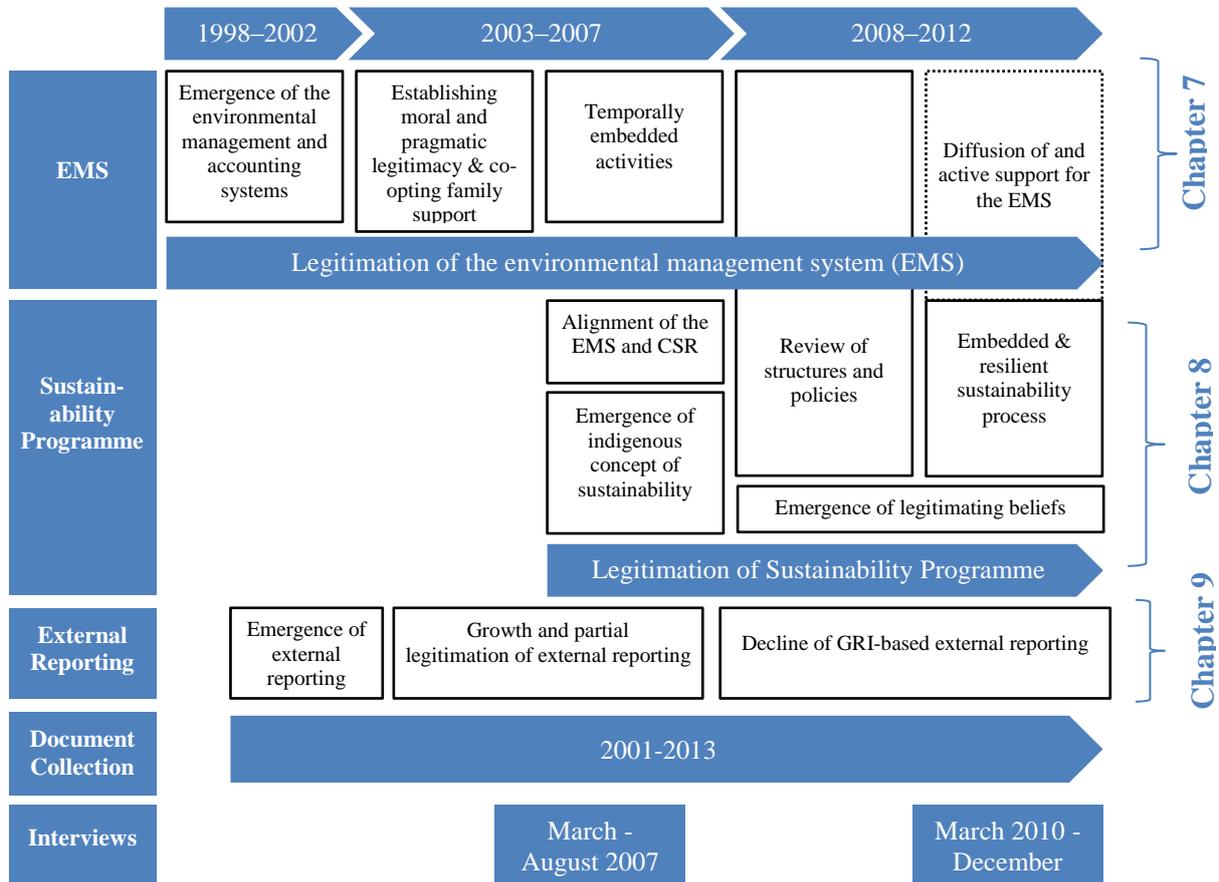


Table 4.2 Data Structure

Literature	Loose Coding – Interviews and Document Analysis	First Order Analysis (interviewee centric terms)	Second Order Analysis (researcher– and literature–centric terms)
<p>Gioia and Thomas (1996) Albert (1998) Ravasi and Schultz (2006) Nag et al. (2007) Maclean and Behnam (2010) O’Dwyer et al. (2011) Bridwell-Mitchell and Mezas (2012) Thomas and Lamm (2012) Brown and Toyoki (2013) Drori and Honig (2013)</p>	<ul style="list-style-type: none"> • Family • Values • Family history • Company history • Commercial priorities • Community • Family Involvement • Family history • Company history 	<ul style="list-style-type: none"> • Our company has values • We are a family company • We are an honest, proactive, passionate, hardworking, tough but fair company • We are not a greedy company • We are ambitious • We have a history of community involvement and ethical behaviour • We are humble and low-key about our achievements 	<p>OI claims and work</p>
<p>Dutton and Dukerich (1991) Suchman (1995) Ruef and Scott (1998) Larrinaga-Gonzalez and Bebbington (2001) Johnson et al. (2006)</p>	<ul style="list-style-type: none"> • Values • Decision making • Community • Conflicts • Commercial priorities 	<ul style="list-style-type: none"> • We live our values • We are a community-based business • Balancing economic and non-economic aims • We take a long-term perspective • We are demanding of ourselves, our franchisees and suppliers 	<p>Enacted identity</p>
	<ul style="list-style-type: none"> • External motivation • Legislation • Costs 	<ul style="list-style-type: none"> • Concern about changes in the external environment • Concern about rising waste costs and increased environmental legislation 	<p>External prompt</p>

Literature	Loose Coding – Interviews and Document Analysis	First Order Analysis (interviewee centric terms)	Second Order Analysis (researcher– and literature–centric terms)
Suchman (1995) Bridwell-Mitchell and Mezias (2012)	<ul style="list-style-type: none"> Internal motivations 	<ul style="list-style-type: none"> This fits with what the company is and does We were trying to be proactive rather than forced to be reactive 	Preliminary legitimation – Establishing comprehensibility and legitimating identity talk
	<ul style="list-style-type: none"> New activities and projects Internal accounting 	<ul style="list-style-type: none"> We brought in some consultants We started to look at our environmental impacts We started the energy and waste management process We put systems in place to track waste and energy usage 	Emergence of new activities
Aldrich and Fiol (1994) Suchman (1995) Golant and Sillince (2007)	<ul style="list-style-type: none"> Resistance Apprehension Ownership Challenges Resources 	<ul style="list-style-type: none"> We had no expertise in this area We did not know where this was going Nobody wanted to get involved in the new activities Progress was slow There were a lot of questions People felt vulnerable 	Deficit of internal legitimacy and support
	<ul style="list-style-type: none"> Cost and benefits Legitimacy building 	<ul style="list-style-type: none"> The cost savings far outweigh the costs. There are a lot of easy wins The environmental activities are saving money as well as being the right thing to do 	Main Legitimation of the environmental management system – establishing pragmatic benefits
	<ul style="list-style-type: none"> New activities and projects Benefits Government initiatives Family support Legitimacy building 	<ul style="list-style-type: none"> This is part of the policy now This is what the family and the board want Hiring the environmental executive meant they were taking it seriously 	Main Legitimation of the environmental management system – establishing moral legitimacy and comprehensibility

Literature	Loose Coding – Interviews and Document Analysis	First Order Analysis (interviewee centric terms)	Second Order Analysis (researcher– and literature–centric terms)
Weaver et al. (1999) Basu and Palazzo (2008)	<p>Interview coding:</p> <ul style="list-style-type: none"> • Procedural and structural change • Openness • Retailer or supplier involvement • Staff support • Embedding <p>Document analysis:</p> <ul style="list-style-type: none"> • Development of internal policies, targets and reporting structure. • Diffusion of activities 	<ul style="list-style-type: none"> • People started to see common ground • The successes spread around the business • Now they want to do it • Now they believe in it • I no longer have to call people up, they come to me 	Temporally embedded environmental management system
Bebbington and Thomson, (2013)	<ul style="list-style-type: none"> • Challenges • Apprehension • Cost and benefits • Legitimacy Building 	<ul style="list-style-type: none"> • People asked a lot of questions • It helped to change day-to-day activities • You can demonstrate the cost savings 	Main legitimation of environmental management accounting
	<ul style="list-style-type: none"> • Structural change – internal accounting 	<ul style="list-style-type: none"> • We put in place key performance indicators and board reports 	Evolution of environmental management accounting

Literature	Loose Coding – Interviews and Document Analysis	First Order Analysis (interviewee centric terms)	Second Order Analysis (researcher– and literature–centric terms)
Weaver et al. (1999) Basu and Palazzo (2008)	<ul style="list-style-type: none"> • Evolution of sustainability programme • CEO support • Divisional directors • Group board support 	<ul style="list-style-type: none"> • We have been doing CSR before it was called CSR • The environmental action teams were no longer fit for purpose • We needed heavy hitters • It can't be delegated • It is absolutely on the board agenda 	<ul style="list-style-type: none"> • Emergence of the sustainability programme • Alignment of the environmental management system and CSR • Evolution of structures
	<ul style="list-style-type: none"> • Evolution of sustainability programme • Family attitude to sustainability • Meaning of sustainability 	<ul style="list-style-type: none"> • Being involved in the community is part of sustainability • We believe that we have a part to play in society and our community • It is a logical continuation of the way we have always done business 	Emergence of indigenous concept of sustainability
	<ul style="list-style-type: none"> • Benefits and successes • Costs • Reputation • Family expectation 	<ul style="list-style-type: none"> • It is the right thing to do • It is economically sustainable • It fits with our values, ways of workings and our long-term perspective 	Legitimizing beliefs – process makes sense and has value
Ashford and Gibbs (1990) Suchman (1995) Weaver et al. (1999) O'Dwyer et al. (2011) Schaefer (2007) Golant and Sillince (2007) Basu and Palazzo (2008)	<ul style="list-style-type: none"> • Persistence • Embedding • Procedural and structural change • Openness • Retailer or supplier involvement • Staff support • Believers • Impact of recession 	<ul style="list-style-type: none"> • It is part of our way of working • All of our divisions are involved in sustainability activities • Most of our retailers are involved • Sustainability projects are rarely turned down • We are not walking away from the sustainability programme • It is part of our DNA • It is in everything they do 	Embedded Process: <ul style="list-style-type: none"> • Depth and span of activities • Availability of resources • Status of the environmental executive • Internal focus of policies, targets and reporting • Process is resilient

Literature	Loose Coding – Interviews and Document Analysis	First Order Analysis (interviewee centric terms)	Second Order Analysis (researcher– and literature–centric terms)
Adams (2002) Bebbington et al. (2008)	Interview coding: <ul style="list-style-type: none"> • Reporting 	<ul style="list-style-type: none"> • It was a way of communicating what the business was about • It was part of engaging with sustainability in the right way • The reports are honest and accurate 	Emergence of external reporting
Suchman (1995) Contrafatto (2014)	Interview coding: <ul style="list-style-type: none"> • Reporting • Audit • External communications Document Analysis: Sustainability Reports 2002 to 2006: <ul style="list-style-type: none"> • Increased volume and scope • GRI and external assurance 	<ul style="list-style-type: none"> • The reports are good for reputation • We wanted the reports to be bigger and better • We wanted to keeping winning the awards 	Legitimation strategies and internal support for reporting: <ul style="list-style-type: none"> • Image-related claims • Best interest claims • Doing the right thing • Doing things the right way
Weaver et al. (1999) Maclean and Behnam (2010) Cho et al. (2012)	Interview Coding: <ul style="list-style-type: none"> • Reporting • Audit • External communications • Consumer communications Sustainability Reports 2001 to 2012: <ul style="list-style-type: none"> • Change in method of publication • Significant reduction in content • Change from GRI to UN global compact reporting 	<ul style="list-style-type: none"> • We did not get any feedback on the reports • What are the benefits of external reporting? • External reporting is an expensive, onerous process 	Decline of internal support for reporting: <ul style="list-style-type: none"> • Changed perceptions of external reports • Fading internal commitment to formal external reporting

Chapter 5: Case Context and Introduction to the Case Findings

5.1 Introduction

This chapter provides an overview of the research context in advance of the case narrative chapters (Seven to Nine). The chapter introduces the broader Irish corporate responsibility landscape and an overview of corporate engagement with sustainability-related activities and reporting. It then provides an overview of the business models within the CC Group's industry and a review of the Group's history, current operations and engagement with sustainability. The chapter closes with a preview of the case narrative chapters.

5.2 The Irish Corporate Responsibility Landscape

Ireland was one of the first European Union (EU) countries to introduce a strategy on sustainable development (Davies, 2009). The adoption of such a strategy suggests a level of concern with issues of sustainability (Davies, 2009), but Ireland has also been described as a poster child for neo-liberal, laissez-faire economic policies with a forceful anti-regulatory rhetoric dominating political and popular discourse in recent years (Canning and O'Dwyer, 2013, p. 170). Thus, it is hardly surprising that this sustainable development strategy and subsequent revisions adopt a win-win, environmental efficiency approach to sustainability (Davies, 2009). Along with this strategy, a vastly increased body of environmental regulation is now in force in Ireland. These regulations, generally, have been introduced as a result of EU initiatives (Wynn, 2003). There are few other specific external regulatory or political demands for improved corporate sustainability and reporting in an Irish context. The mandatory disclosure requirements in relation to reporting social and environmental data are minimal for most businesses (O'Dwyer, 2002). Currently, company legislation in Ireland requires disclosure of the average number and type of staff employed by the company. All other mandatory disclosures relate to financial data. There does not seem to be any intention to introduce further mandatory disclosure requirements in relation to social or environmental information (Sweeney, 2008). The following sections provide an overview of Irish corporations' voluntary engagement with sustainability activities and reporting.

5.2.1 Voluntary Corporate Engagement

Irish companies, in general, are not known for their leadership in corporate responsibility and sustainability. In the area of corporate philanthropy for example, Irish companies have been found to contribute considerably less than their British and American counterparts (Donohue, 2000; Donoghue et al., 2000). The interviews conducted with the BITCI consultants as part of this study (see Chapter Four, Section 4.5.4.2), suggested a range of motivations regarding, and levels of engagement with, social and environmental issues among Irish companies. The interviewees suggested that some companies were motivated by their corporate culture or values to embed socially and environmentally responsible activities and strategies in their organisation. They also suggested that other companies were motivated primarily by managerial concerns and CEO peer pressure to engage with charitable or social initiatives, with little change to their operations or strategy. This second view accords with the small body of academic research on CSR (corporate social responsibility) in Ireland.

Perhaps unsurprisingly given the debate over the meaning and nature of CSR, studies in Ireland have found that executives in both large and small companies have difficulty providing a precise definition of this concept (O'Dwyer, 2003a; Sweeney, 2007). O'Dwyer (2003a) found that senior managers in Irish publicly listed companies (plcs) had difficulty in articulating exactly what CSR might mean and tended to interpret the concept in a manner consistent with a managerial perspective, suggesting that corporate responsibility is primarily motivated by a company's economic self-interest. The effective management of social issues and stakeholders was seen as helping companies to fulfil their primary objective of maximising shareholder value. However, some managers maintained that their personal views were not consistent with this narrow corporate perspective and were based on a broader, more societally concerned perspective. In a study using a sample of both large and small companies, Sweeney (2007) found that interviewees in large companies defined CSR by reference to the company's stakeholders, including customers, employees, the environment and the community, and interviewees in small companies described it as conducting business in a responsible manner and perceived the wider community as their company's most important stakeholder.

5.2.2 Voluntary Reporting

Corporate social and environmental reporting has been slow to develop in Ireland (O'Dwyer and Gray, 1998; O'Dwyer, 2001, 2003b). This could be due to the fact that a lot of social and environmental activity is not reported. Small and medium-sized enterprises (SMEs) in particular can be involved in socially responsible activities but do not categorise these activities as CSR or report on them (Sweeney, 2007). There has been a gradual increase in the number of publicly quoted companies publishing sustainability-related information in either their annual reports or standalone reports (Maughan, 2006, 2007; Sweeney, 2008). Irish plcs generally use their websites or annual reports to disclose sustainability-related information, and only a small number of these companies produce standalone sustainability, CSR or environmental reports (Maughan, 2006, 2007; Sweeney, 2008). The most common type of disclosures relate to employees, health and safety, community involvement, the environment, customers and corporate governance. The majority of companies that disclose sustainability-related information tend to disclose positive information of a qualitative nature, and many companies simply report their policies in this area (Maughan, 2006, 2007; Sweeney, 2008).

The CC Group has been recognised, internationally, as one of 15 companies with industry-leading environmental activities in the retail sector and has received multiple ACCA awards for its voluntary sustainability reports. Thus, the Group's engagement with sustainability and external reporting are notable in both an Irish and an international context. The Group also has an atypical franchised model in its fast moving consumer goods (FMCG) sector. It claims that this is a community-based model that "helps build and sustain vibrant local economies" (CC Group, 2012, p.9). In contrast, its direct competitors known as multiples, own all of their stores. The following sections discuss some of the literature on the community-based model of retailing and the multiple model of retailing.

5.2.3 Community-Based and Multiple Models of Retailing

Community-based retailing is retailing that is in close proximity to the community it serves, usually within a town or village centre rather than in out-of-town locations. It is suggested that this type of retailing can play an important role in the economic and social sustainability of urban and local communities (Smith and Sparks, 2000) as it helps to create a busy retail environment in a town or village centre, generates and maintains local employment, supports the local economy and provides important daily services to the local community (Monbiot,

2000; Smith and Sparks, 2000; Rex and Blair, 2003; Rubin et al., 2006). That is not to say that the small local independent store is a panacea to all of the issues facing modern communities. Small stores have tended to survive in areas where, due to lack of public transport, people have little choice but to use the local store (Rex and Blair, 2003) and this lack of competition can lead to a poor retail offering in terms of both choice and value (Wrigley et al., 2004). Equally, having access to only one large store can lead to consumer dissatisfaction in terms of choice (Kirkup et al., 2004).

The decline in community-based retailing in the UK has been well documented (Guy and Duckett, 2003; Oram et al., 2003; Rex and Blair, 2003; Crosby et al., 2005). Since the 1970s, supermarkets and other large retail chains have sought to expand their market share by opening large stores, initially in out-of-town locations, then as planning regulations changed, in large in-town developments and, more recently, by opening smaller stores in town centres (Crosby et al., 2005). The evidence on the impact of the growth of multiple retailers on local communities is mixed. Multiples tended to have an uneven distribution and, although they may improve convenience and choice for consumers with access to private transport, they can contribute to a lack of access to retailing for those with mobility issues or low incomes (Mitchell and Kirkup, 2003; Kirkup et al., 2004). From an economic perspective, it is claimed that the large supermarket multiples can weaken local economies as their products are sourced primarily from national or international supply chains (Killeen, 2000). However, there have been some instances of multiples being involved in successful urban regeneration projects that can help to tackle food poverty and provide jobs and services to deprived communities (Kirkup et al., 2004). The decline in local retailing and services in the UK has prompted many communities to become active in campaigns to support and save their local businesses and services. New multiple retail developments are often the subject of sustained community objections (Cranbrook, 2006; Rubin et al., 2006) and in some areas vehement protest (Bowcott, 2011).

The impact of out-of-town developments by multiples in Ireland has not been as extensively studied as in the UK. There is some evidence to suggest that the development of suburban shopping centres in Dublin since the 1970s has drawn significant custom away from the city centre and there was a notable decline in traditional retail offerings such as butchers, bakers and grocers at that time (O'Callaghan and O'Riordan, 2003). However, despite the construction boom of the 2000s in Ireland, planning bodies and local authorities are said to

have somewhat balanced the growth of larger retailer and out-of-town development with the preservation of town centres (O'Connor, 2011).

The CC Group characterises itself as a community-based retailer and operates an in-town store development policy. The stores are independently owned by entrepreneurs, retail partners, who live and work in the communities in which their businesses operate (Sparks, 2009). As part of their franchise agreements, the stores have a 95% loyalty target for purchases from the CC Group. The Group is in effect a wholesaler to the stores. It also provides sales, marketing, IT, finance and logistical support to the stores (Sparks, 2009). Its competitors are, in the main, multiple retailers. The following section provides an overview of the Group's history, current ownership, governance structures, operations and engagement with sustainability.

5.3 Case Site Review

The CC business was founded in an Irish provincial city in 1876 by two young brothers (White, 2001). For most of its history it has been a family-owned and run business. In keeping with most Irish family businesses, up until the 1970s it operated a variety of businesses including a hotel, a sweet factory and a tea business, as well as a retail and wholesale business (White, 2001). The company pioneered the self-service retail model in Ireland in the 1960s and since then has focused on its wholesale business and franchised retail model. Since the company's foundation, a controlling shareholding has been held by several branches of the founding family. Currently, approximately 75% of the shares are held by family shareholders, with the remainder being held primarily by the company management and staff, and the remaining small percentage being held by a large commercial bank. There are now in excess of 50 family shareholders, and the fifth and youngest generation of the family has approximately 150 members.

5.3.1 Company and Family Governance

Family members are not currently involved in the day-to-day running of the company. The family mission in relation to the company is "to own a business which is family governed and professionally managed" (I7, R2). Over an extended period of time, management and governance structures have been put in place that separated the family from the day-to-day operations and management of the Group, while retaining a significant governance role. Three family members currently sit on the group board. The CC family have also put in place

various formal mechanisms and documents in relation to what might be termed family governance, i.e. how the family shareholders manage the interaction between themselves and the company's management. The family non-executive directors act as liaisons between the company and the rest of the family. A shareholder communications and liaison officer manages ongoing communications with the family shareholders. There is also a family council of 12 to 14 members (including the family directors) who form a link between the company and the wider family. The family council meet on a frequent basis, but the family as a whole meet only every three to four years in a family assembly.

5.3.2 Current Operations and Business Model

The CC Group has operations in the Republic of Ireland, Northern Ireland, Britain and Spain. The Group's head office is located in Cork, Ireland. In 2012 the Group's turnover was €4.9 billion, with profit before tax of €72 million (CC Group, 2012). Including the franchised stores, the Group is Ireland's second largest employer with more than 30,000 employees. The company is organised along divisional lines with a board for each division. There is also an overall group board. This board played a key role in the decision making around the emergence of environmental management activities and reporting and later the sustainability programme. Several members of the group board were interviewed as part of the study.

The company operates seven franchised brands which they divide into retail (larger stores) and symbol brands (smaller stores). The two Irish-based divisions, CC Retail Partners Ireland (the franchise division) and CC Wholesale Services (the wholesale division), account for the majority of the company's operations. The franchise division has a turnover of approximately €4.3 billion and a network of 683 Irish stores. As the environmental management system first emerged in the franchise division and was then adopted by the wholesale division, these divisions along with the group board are the focus of the study. An overview of the company's engagement with sustainability is provided in the next section.

5.3.3 Overview of the Group's Engagement with Sustainability

The Group's engagement with sustainability dates back to the 1990s and started in the franchise division. In late 1998, the group board engaged an environmental consultancy firm to quantify their environmental impacts and identify their environmental issues. The lead consultant managed specific environmental projects and developed an environmental policy and an environmental management accounting system. The first environmental action team

was established in the franchise division in 1998 and focused on environmental impact management – particularly waste and energy management. There was also some activity in the other main Irish division, the wholesale division, which was coordinated through the franchise division’s environmental action team. In 1999, the company published its first Environmental Charter and transport and energy management systems were developed. In 2001, the Group’s first external environmental report was published.

The Group also started to engage with its suppliers and franchisees in a variety of ways: by establishing a common waste contract for franchises; including environmental measures in the operational audits of franchisees; including energy and waste management training in the franchisee training programme; and holding a conference with suppliers entitled “Greening the Supply Chain” in 2002. The environmental executive was appointed in 2003. Shortly after their appointment, the environmental executive established environmental action teams in three of the other four divisions. Their role included supervising these teams, co-ordinating work between the company’s divisions, developing policy, publishing the environmental reports, and reporting to the group board. At the same time the reporting and responsibility for the process moved up from the original divisional board to the group board.

With the appointment of the environmental executive, the company’s reports and policies expanded beyond primarily environmental issues to include more socially focused material. The external GRI-based reports became progressively more sophisticated and extensive until their peak in 2003 and 2006. Figure 5.1 (p.75) presents a visual overview of the growth and decline in the Group’s external reports between 2001 and 2012. The 2008 report was the last to be independently assured and published, in full, in hardcopy and since then the extent of the Group’s external reporting has declined. In 2010, the company published its last GRI compliant report and introduced a brief Sustainability Key Facts report. In 2011, the company started producing an annual UN Global Compact Communication on Progress report, which contains some of the information that previously would have been published in the sustainability reports, but with less detail.

In contrast, the Group’s environmental activities and performance continued to develop and improve. Figure 5.2 (p.76) provides a summary of the Group’s reported environmental performance on waste and energy between 2006 and 2011. Over time, a sustainability programme incorporating the environmental management and accounting systems and the Group’s CSR activities began to emerge. Figure 5.3 (p.77) provides a timeline of notable

events in the development of the sustainability programme between 1998 and 2013 (based on the Sustainability reports from 2001 to 2102). This programme is focused on a Group-level five-year plan with annual divisional targets. Each year the sustainability targets are reviewed and set for the following 12 months. Detailed targets in the form of key performance indicators (KPIs) and actions are then delegated to the relevant teams and staff members. A sustainability champion on each of the divisional boards monitors the progress on the KPIs and quarterly performance reports are presented to the divisional boards. Summarised versions of these reports are also presented at group board meetings and the divisional sustainability board champion usually provides an annual standalone report on the sustainability activities within the division. The case study narrative in Chapters Seven, Eight and Nine trace the emergence and evolution of the environmental activities, the sustainability programme and the external reporting, respectively.

Figure 5.1 Visual Overview of the CC Group's External Sustainability Reports, 2001–2012

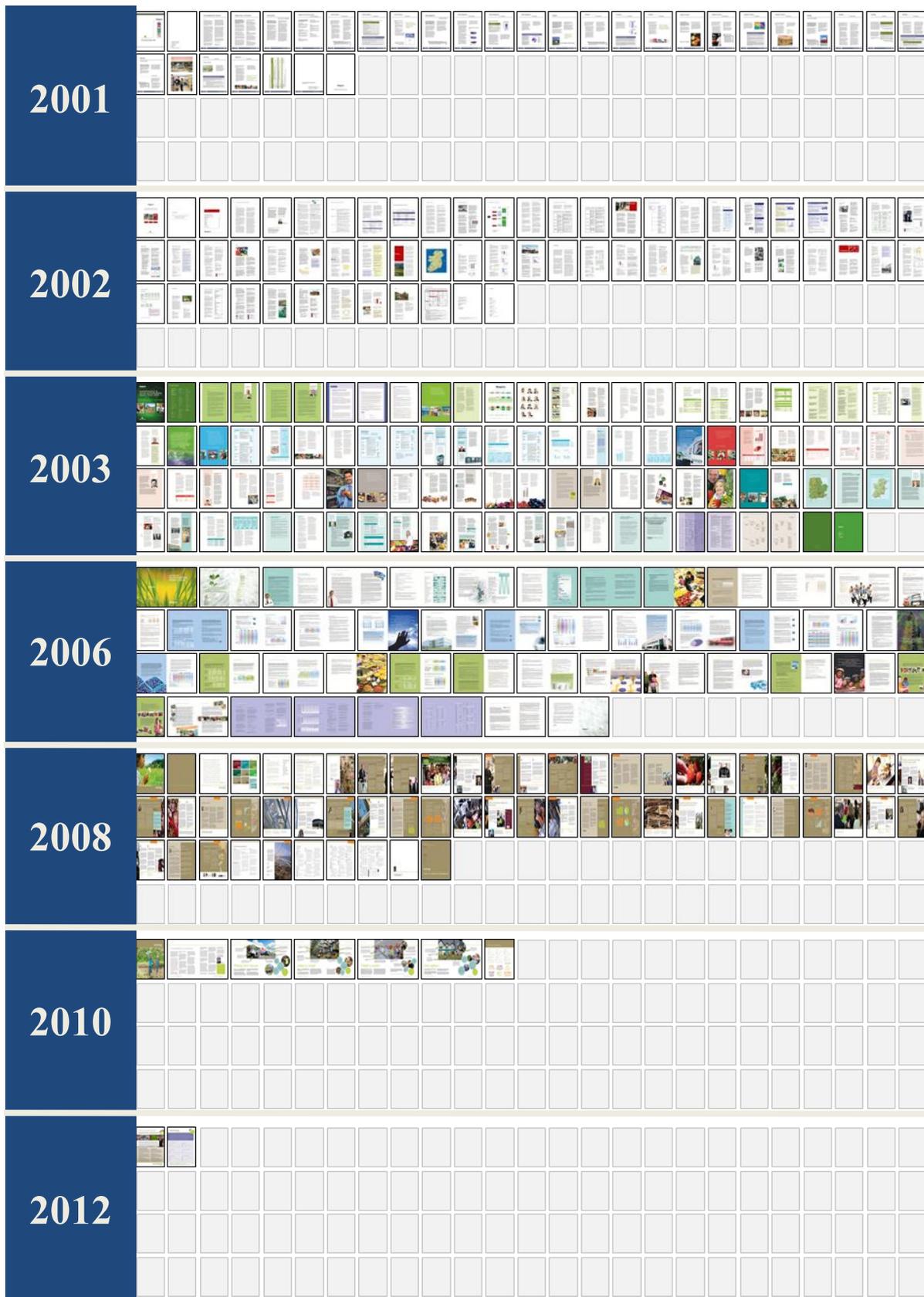
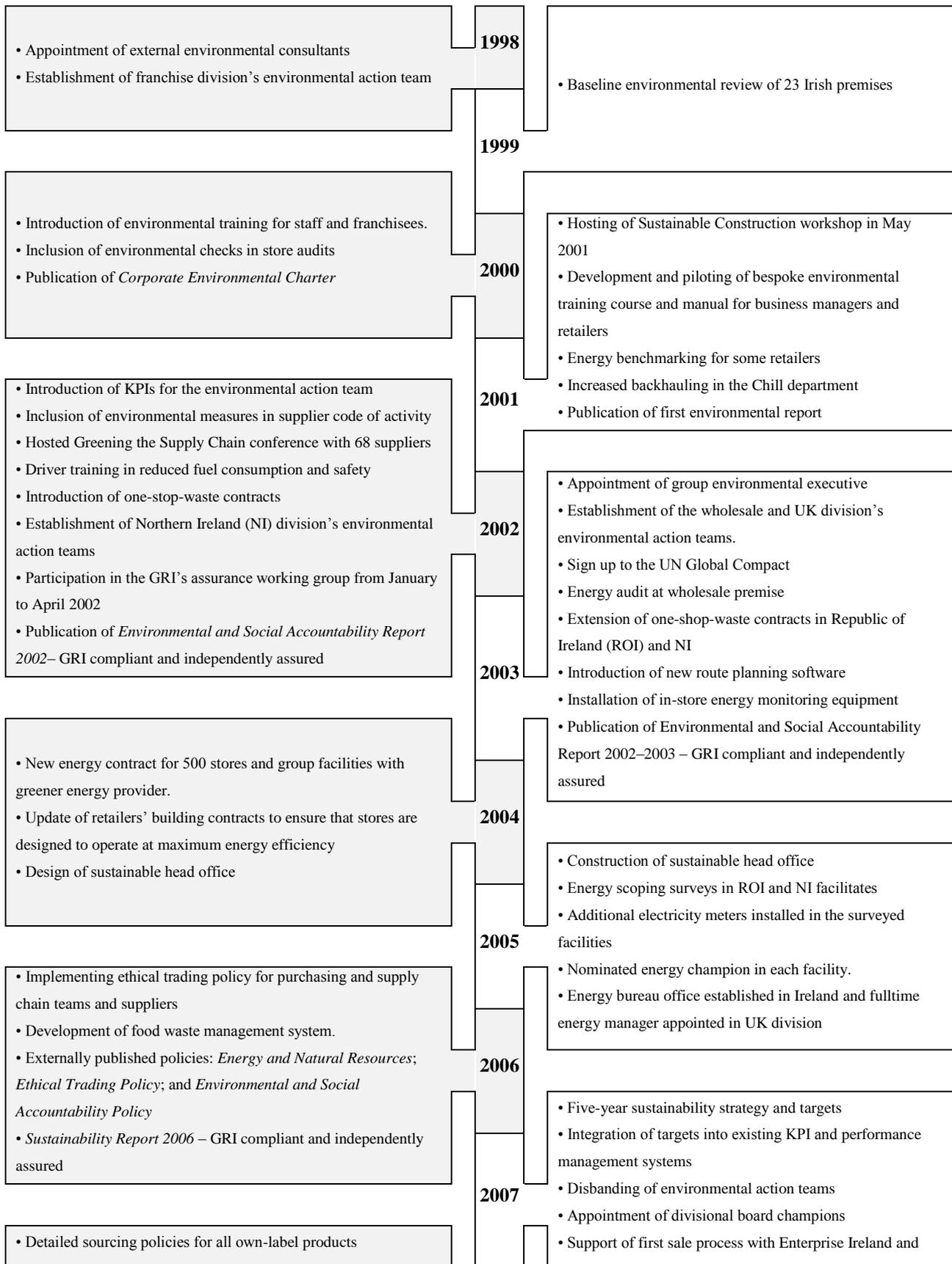
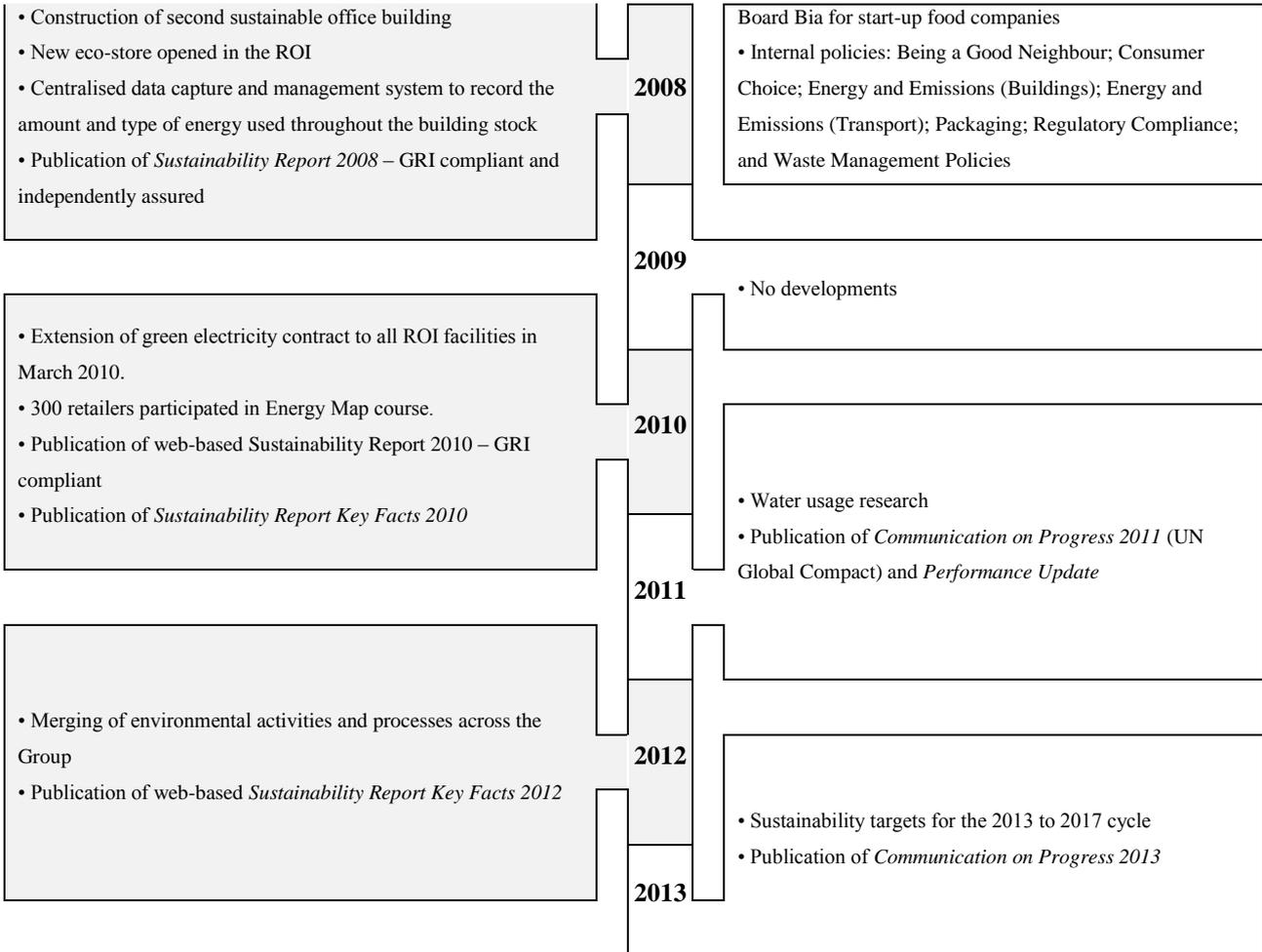


Figure 5.2 CC Group Environmental Performance Graphs, 2006 – 2011



Figure 5.3 Timeline of Sustainability Developments and Projects 1998 to 2013





5.4 Introduction to the Case Findings

The case study narrative is presented in the next three chapters as follows.

Chapter Six is focused on analysing the CC Group's OI (organisational identity). The first section considers the interviewees' identity work, in particular their explicit and implicit identity talk. The second section focuses on the interviewees' statements about the Group's central, distinctive and enduring characteristics which form the Group's set of identity claims. The final section looks at the Group's enacted identity and considers how the Group's members employed these claims to varying degrees in their interactions with retailers, suppliers and the family owners.

Chapter Seven discusses how and why environmental management and accounting emerged and evolved between 1998 and 2007. It firstly identifies the external prompt, in the form of environmental legislation that caused the Group's board of directors to consider introducing a new environmental management system. It then provides insight into how the directors constructed plausible explanations for the proposed environmental management system. It also highlights the initial lack of active support for the new activities and the legitimisation strategies employed by key participants to gain wider internal support for the activities leading to the partial embedding of the environmental management and accounting systems.

Chapter Eight traces the emergence and evolution of the sustainability programme between 2003 and 2012. It starts with a discussion of the alignment of the environmental management activities with the existing CSR activities and the emergence of a concept of sustainability amongst group members that incorporates some of the Group's OI claims. The ongoing evolution of the structures and policies within the programme is then discussed and, building on this, the continual internal legitimisation of the programme is analysed. Finally, the nature and extent of the embedding of the sustainability programme is discussed.

Chapter Nine discusses the emergence and evolution of the Group's external sustainability reporting. It starts with an overview of the Group's engagement with reporting in terms of both extent and nature between 2001 and 2012 and demonstrates that there was a sharp decline in the Group's GRI-based reporting from 2008 onwards. The chapter then provides an analysis of the emergence of external reporting and insight into the group members'

motivation for this reporting. In doing so it highlights that reporting was seen as a natural progression in the process of engaging with environmental management and was viewed as a secondary rather than the primary output (improving environmental performance) of this process. The narrative also examines the internal support for, and legitimation of, the GRI-based reports during the growth period in reporting from 2001 to 2006. The chapter closes with a discussion of the (re)evaluation of the legitimacy of external reporting and the decline in internal support for GRI-based reporting between 2007 and 2012.

5.5 Chapter Summary

This chapter is divided into three sections, the first of which provides an overview of the external environment and industry in which the CC Group operates. The second section provides a case site review that discusses the Group's history, governance, ownership and current operations and provides an overview of the Group's engagement with sustainability since 1998. The final section provides a brief introduction to the case narrative in Chapters Six to Nine.

Chapter 6: Organisational Identity at the CC Group

People do not simply tell stories—they enact them.

(Pentland, 1999, p. 711)

6.1 Introduction

This chapter provides an in-depth analysis of the interviewees' discussions of the CC Group's OI (organisational identity). The interviews for the study took the form of guided conversations (Patton, 2002) around the sustainability programme. Throughout these conversations, the interviewees shared their perceptions of the CC Group's OI. These narratives about the Group's OI formed an intrinsic part of the interviewees' explanations of why and how the company had engaged in sustainability activities and accounting.

For the purpose of this study OI is conceived as encompassing a set of identity claims, an enacted identity and ongoing identity work to establish or maintain these claims. Identity claims are statements about an organisation's core, enduring and distinctive characteristics. Enacted OI consists of the claims employed by an organisation in social interaction and can vary over time and with the audience and organisation member involved. Identity work is concerned with the ongoing maintenance, reconstruction or regulation of OI in mature organisations (Gioia et al., 2010; Pratt, 2012). The first section of the chapter considers the participants' identity work, the second section concentrates on the interviewees' explicit OI claims and the identity work that contributes to the maintenance of this set of OI claims and the third section considers the Group's enacted identity.

6.2 Identity Work

Identity work can involve identity regulation attempts and explicit and implicit identity talk (Mueller and Whittle, 2012; Pratt, 2012). Explicit identity talk involves direct descriptions of an individual or organisation and implicit identity talk involves descriptions of what happened (memories of events) and why (attributions of cause) (Mueller and Whittle, 2012 p.169). In the case of the CC Group both the interviewed group members and the family director engaged in explicit ("We are a family business") and implicit identity talk ("We made a decision to go with our longer established company ... because we felt we had a relationship with them") during their interviews. Their explicit identity talk was particularly

extensive and was primarily aimed at maintaining the Group's reservoir of identity claims. In addition, the family director and senior group members indicated that the family directors engaged in other forms of identity maintenance work (such as *restricting* group member and family member interaction) that was also aimed at maintaining and protecting the Group's reservoir of OI claims.

The participants also engaged in implicit identity talk when discussing both the Group's OI claims and its enacted identity. This implicit identity talk included not only descriptions of past events and attributions of cause to these events, but also descriptions of how on an ongoing basis OI claims were employed to varying degrees by group members in their interactions with retailers, suppliers, and the CC family. In this way, implicit identity talk was employed to affirm the durability and salience of the Group's set of OI claims, in particular its values, over time and in the face of changing economic circumstances. Sections 6.3 and 6.4 provide further discussion of the participants' OI work in relation to the Group's identity claims and enacted identity respectively.

6.3 Identity Claims at the CC Groups

Overall, the interviewees represented a disparate range of internal and external stakeholders (retailers and a family director), yet they provided a coherent and consistent set of OI claims. The interviewees expressed their perceptions of the company's identity through discussion of, and stories about, its history, values, business activities, patterns of behaviour, founders, leaders and current owners (Martin et al., 1983; Gioia et al., 2000, 2010, 2013). In depth discussions of the company's OI characteristics were most common in interviews with senior executives and directors but were present in all of the interviews to some extent. In response to direct questioning about the CC Group's character, the interviewees described the CC Group as a value-driven, community-based, commercially astute, pioneering family company⁸ with a long-term perspective. They maintained that these characteristics had endured over time and context and employed them to position the group as different from other companies in its industry, "CC is a different place, it really is different" (I1, R2). The interviewees' accounts of these explicit identity claims and the identity work surrounding

⁸ The CC Group is made up of several companies; however, the interviewees referred to it as the company, CC, or CC Group.

these claims are discussed below. Appendix G provides an extended selection of quotes that illustrate the interviewees' collective perceptions of the Group's OI claims.

6.3.1 Family Claims

CC is a family operated business in its heart (I4.2, R2).

The interviewees perceived the company as having a close, enduring and stable relationship with its founding family. The perception of the CC Group as a “family” business was very prevalent, but not universal, in the interviews. A small minority of the external interviewees rejected the idea that the CC Group was a family company in the traditional sense, suggesting that the company was now too big and corporate to really be a family business any more. “But it’s corporate, it’s not your local family business by any means, you know” (I18, R2). However, when asked directly to describe the Group, the majority of the interviewees maintained that despite its size it was a family business:

It’s like working in a big company but working for a small family if that makes sense. So it’s a big, big company but it still does have a very much long-term do the right thing, look after our values as a company which all stems back from the family and the direction that they’ve set. (I11, R2)

Intertwined with the characterisation of the CC Group as a family business were claims about the CC family as being, both in the past and the present, a certain “type” of people. The interviewees had strongly held beliefs that the CC family had “their own personal set of family values” and were very “humble” and “reserved” people who would not bring the family or company name into disrepute:

They’re a very particular kind of people. They’re extremely humble, respectful and kind of good people. I often say to people “You’ll never read in Hello magazine or its equivalents about any of the CC family. You’ll never hear about them shoving cocaine up their noses at a party.” They’re just not that kind of people. They’re very dignified; they’re very respectful, they’re very proud of their heritage. (I1.2, R2)

These characterisations of the CC Group and the CC family persisted, even though (or perhaps because) family members have not been involved in the day-to-day running of the business for several decades. The number of family members allowed to work in the business

had been restricted as far back as the 1930s when the company had faced financial difficulties.

.... we restricted the number of family employees and got rid of a lot of family members. It caused huge bust ups and people didn't speak to other people for the rest of their lives, that's what happened. This was back in the 1930s. (I7, R2)

Since then, family members, with the exception of the family directors, have very limited contact with management and staff of the CC Group:

.... there was probably quite a small group of the family directors, the family MDs. Everybody else [in the family] was probably, to be honest, kept at a bit of an arm's length. (I7, R2)

Even the family directors had limited interaction with group members beyond the Group's most senior management. The Group's executive directors had regular contact with the family directors as part of the Group's governance processes, but the broader management group had limited contact with the family directors, and most of the interviewees had little to no contact with the family directors. A number of the non-managerial and franchisee interviewees did not know who the family directors were or confused the executive directors with family members.

I don't have any personal contact with them they would attend all of our management conferences, and at all of our brand engagements they'd be present at and they're very... They're nice people, there's no... to be honest with you, I don't have much dealing with them, but I've met them on occasion. (I13, R2)

In the family director's view, the restriction of family employees within the CC Group allowed the professional managers to flourish within the boundaries set by the family. Limiting contact between the family and group members also reduced the opportunities that members of the broader family group had to influence, and possibly damage, the perceptions that the group members had of the family:

... we have the family values which we codify there and hopefully have the family members live those values in their interactions with the company or

their interactions with themselves vis-à-vis the company. I mean what they do behind closed doors is their own beef. (I7, R2)

The maintenance of these perceptions could then be undertaken, primarily, by the family directors. The family directors' limited informal contact with the management and staff of the CC Group involved chats at management conferences, induction events or at head office after board meetings. These informal chats include "conversations about values" (I12, R2) and "some wandering back into history," (I1.2, R2). Arguably, a shared family and company history is carefully maintained by the family directors:

And they're very precious about their heritage. There's very few conversations that you can have at an official level with ... our chairman [family member] that doesn't involve some wandering back into history. They're so proud of their history and they're so proud of how the family has built up the company. How the family have always enhanced the company and how the company has got through so many crises and through wars, recessions, depressions, all of these kinds of things. (I1.2, R2)

In addition, the family directors create and maintain artefacts that relate to this shared history: for example, commissioning a book and DVD on the company history to mark the 125th anniversary of the founding of the Group and establishing the company archive. The archive was a family- rather than group member-led project that sought not just to preserve historical documents but also to create the "archive of the future" (I22, R2):

I was very much brought in by the family, who wanted me to update the archive of older, historical papers ... old family papers, and the very old business papers. And once we had done that, then I suppose it was a question of whether they ... whether the company wanted to bring the archive project forward, so that instead of just looking at the historical papers we would try and capture documentation as it was produced by the company, presently, to become the archive of the future. And they decided that they wanted to go down that route. (I22, R2)

Maintaining the family and family business claims provides the group members and family directors with the foundational material for their claims about the Group's values and

business model. The Group's core and enduring characteristics in these areas are seen as an intrinsic part of how the family had always operated the business:

For them [the founders and earlier generations of family managers] it was a very natural way of managing that you were tough but fair and I think that was very evident in my great grandfather from the early part of the last century right up to 1954 ... and I think that way of working and the long-term approach I suppose the honesty and the straight dealing and also I think the willingness to invest in the business led to the development of the foundations of the company. (I7, R2)

The interviewees' claims about the Group's values and business model are discussed in Sections 6.3.2 and 6.3.3, respectively.

6.3.2 Value-Based Claims

I'd describe the CC Group as a family-owned and run business, big business, that puts the family values in its way of working every day, and it doesn't compromise on those values or guiding principles, and that rings down true to how it does its business, and I think that's what makes it a successful business. (I12, R2)

Claims that the CC Group was a value-driven company were present in every interview with both internal and external interviewees. The claims emerged from both direct questions on the interviewees' perceptions of the company and throughout the interviews as a whole as the interviewees sought to explain how the company operated and why it operated as it did. There was a widespread perception that the Group had, and generally lived by, a core set of (now formalised) values: long-term stable relationships; not being greedy; honesty; working hard and achievement.

Our values would centre around things like openness, honesty, not being greedy and working hard and I think all of those kinds of values fit in and we've to live those values and they're well-articulated on a pretty regular basis. So, they're pretty serious as far as we're concerned. And by and large, I think, you know, people live by them within the organisation. (I3, R1)

CC live very much about our values and people will, you're recording now but I'll say it anyway, bullshit about values sometimes. And we do a bit as well, but in general terms we do have a pretty strong set of values. And it has been, it's been there since before I came, and I'm here 30 years now. (I6, R1)

The values were seen as a central, distinctive and enduring characteristic of the Group: “their values come through in absolutely everything that they do” (I18, R2). The interviewees perceived the continual communication and enactment of the Group’s values as distinguishing it from other companies:

So, values here – is not like values in a lot of other companies. A lot of other companies talk about values but it is – other than being stuck up on the wall, or appearing in company publicity material, that is it. Here values, values, values, it is constantly drilled into people. (I1.2, R2)

The company and family history provided the interviewees with shared material for their claims that these values were an enduring characteristic of their company. Stories from the early history of the company, of family heroes and family history were not just preserved within the formal accounts of the history of the business but also common knowledge among the interviewees. In particular, the executive directors, family director and the senior management related similar stories about how earlier generations of family owners had lived and managed the business based on their values:

When you read the history about the ... you know, the first couple of generations you can see how they lived very modest lifestyles, the business survived through very difficult trading periods, through the World Wars, things like this. And there was never any affluence of any kind shown by any member of the family anywhere. And that probably setting the culture, although it was never described, I'm sure, in that way, but I think the culture that's there now that has evolved over years, I think, you know, when we describe it now and commit it to paper, things like working hard, yeah, these people work very hard, not being greedy. I think you know through the Second World War, CC Group, because it had seen what was coming, it had tried to store up stocks of product that was going to be

commodities that were going to become very scarce and was in a position, it had stocks when others didn't, but never took advantage of that in terms of exorbitant high pricing, exorbitant high prices, so things like not being greedy came through as well.

You can go back through their history and you'll see that they made choices sometimes difficult choices, but always for the right reasons. You know there's a story about them after the war in Cork where there was tea rationing and tea was a very valuable commodity and CC Group had quite a bit of tea and could have sold it literally to the highest bidder and you know really could have profiteered on it. But what they did was they distributed the tea pro-rata based on what people's previous requirements were.

Alongside these value-based claims, the interviewees characterised the CC Group as having a community-based or local business model and being a commercially astute, pioneering business.

6.3.3 Business Model Claims

It is very much business driven, but then there is this innate part of CC that wants to be part of the community, part of the environment they service and not just be another box provider. (I4.2, R2)

Accounts of local and community involvement and support were prevalent throughout the interviews. As one of the senior management interviewees claimed “our business is basically rooted in the community ... and it is our point of difference” (I6, R2). The franchise model, based on the stores being owned by the retailers, is seen by the interviewees as ensuring that the stores are engaged with the local community with each franchisee a “local” entrepreneur. The CC Group provides centralised services and bulk purchasing efficiencies that the interviewees perceived as helping these small businesses to compete with the large multiples and also supporting “Irish growers [and] producers” (I1.2, R2). This community-based model was presented as markedly different from the multiple model operated by the Group's main competitors:

When, when you look at, there's six hundred shops, there isn't a community in Ireland that isn't touched by CC, and they're in the smallest towns that X [main competitor] wouldn't touch with a barge pole and they're still, they are, they're doing good business and sustainable business. (I2, R1)

The CC Group operates in a very competitive, fast-moving, consumer goods industry. The interviewees also characterised the CC Group as having long-standing, commercially necessary characteristics that were central to its survival and success and that distinguished it as “the best at what they do” (I13, R2). The interviewees believed that the CC Group is an innovative, passionate, prudent (in its use of resources), ambitious and “very, very progressive” (I17, R2) business. As with the interviewees’ value-based claims, these claims were supported by drawing on shared histories about the company pioneering new business models and systems in its industry. The interviewees also accepted, when probed further about the Group’s commercial characteristics, that it was a tough and demanding company both to work for and do business with:

I do think it's a tough company, yes. It's a tough company because it needs to be ... it's in a tough industry and it wants to be successful, so there needs to be ... a commercial toughness to how it does its business to make sure it is successful (I15, R2)

As well as framing this commercial toughness as being necessary to compete in its industry, the interviewees also sought to frame their value-based and commercially based claims as either counterbalancing or complementary rather than inconsistent or conflicting, particularly over the long-term. Potentially negative but commercially necessary characteristics, such as toughness, were accompanied by a counterbalancing characteristic “tough but fair” (I7, R2). Employees described the Group as demanding but “great at recognising hard work” (I9, R2) and “a really good company to work for” (I15, R2). They described themselves as “always challenged” (I21, R2) and “working hard” (I21, R2) but that “it works both ways” (I13, R2) as the Group was committed to “developing people, promoting people and having people work their way up through the ranks” (I12, R2) and being loyal to its employees. “I’d have great loyalty to them. They’ve been very loyal to me” (I13, R2). Retailers also described the company as demanding: “It’s always about challenge and challenging yourself to do better” (I19, R2) and having “huge control” over its retailers but also as “sincere”, “supportive” and

“not greedy” (I19, R2). In addition, the company’s values were framed as an important part of the company’s continued economic success through claims that having a set of core values helped to attract and retain talented staff and maintain good relationships with retailers and suppliers:

Our business is wholly dependent on what other people do and the successful relationships that are built up between retailers and partnerships that you have within the relationship. In order to have long-term stable relationships with retailers, you need to have core values, not only for relationships you have with your retailers and your retail partners, but also for the people that work with you ... without a core set of values in which you operate and strive to adhere to it’s hard to develop long-term relationships, and our business has been developed and thrived on those long-term relationships. Without long-term relationships we probably would not have been where we are now. Plus there’s also, it’s not just for suppliers and retail partners, the people that have worked with us for so long without a core set of values you wouldn’t be able to retain them. (I13, R2)

The final identity claim that the interviewees made about the CC Group was not about “who we are” but about its decision-making process, in other words “how we think.”

6.3.4 Long-Term Perspective

If we were a publicly quoted company, the decisions we would make would be influenced in an entirely different way. (I11, R2)

The group members characterised their collective decision making as focused “very much on long-term decisions as opposed to short-term decisions” (I21, R2). Strategic and investment decisions were based on what was the “long-term fix for our business ... we have never had any requests for capital shot down because of the length of return on investment, ever” (I6, R1). The interviewees indicated that being a family-owned business enabled this long-term perspective:

My previous experience was a chief exec of a public, quoted company in London and the difference is huge in that you're able to run to a longer

term agenda. That's not to say you take longer to do things, but you can run the business from a perspective of doing the right thing and building for the long-term. The pressure from a short-term investor is huge because obviously they want to make a turn and so on. (I11, R2)

This long-term perspective was also extended to employee welfare and benefits, “it's a good company in terms of taking a long-term view in terms of employees' welfare, things like pensions and areas like that” (I15, R2). This long-term perspective claim was aligned with their value-based claims: “it still does have a very much long-term do the right thing, look after our values as a company, which all stems back from the family and the direction that they've set.” (I10, R2). One of the interviewees suggested that “every decision” taken within the company was measured against its values:

When the company is making a decision ... like the business case for that would have been measured against every one of the values and ... how that interacts with the values. And every decision ... that's taken in the business is taken in accordance with that. (I21, R2).

For the purpose of this study the interviewees' OI claims are viewed as representing one part of the Group's OI, its identity reservoir. This identity reservoir is a storage bin of claims about the Group's fundamental characteristics and activities that form its formal and symbolic core (Kroezen and Heugens, 2012). The second intertwined part of the Group's OI is its enacted identity. Enacted identity is concerned with the identity claims employed by an organisation in social interaction and organisation members can focus to varying degrees on different claims depending on the context or audience involved (Gioia, 1998; Kroezen and Heugens, 2012).

6.4 Enacted Identity

.... the CC Group values have been around since 1876 but they evolved with time and what does it mean in today's world and we're actually going through another evolution of them at the moment ... so the words mightn't change but, some of them have, some of them won't. but, you know, what does it actually mean in the world that we live in today which is very different to the world that we lived in four years ago but the values are

very important. Everybody knows what they are. They know what they need to do to live them.

Alongside their discussions of the Group's OI claims, the interviewees also discussed how these claims were employed to varying degrees by group members in their interactions with retailers, suppliers, and the CC family in the context of a changing external environment. The Irish economy went into recession in 2008 when GDP contracted by 14% and unemployment levels rose dramatically. A sharp contraction in consumer spending placed the Group and its retailers "under enormous challenge at the moment" (I1.2, R2). The environmental executive suggested that the CC Group's community-based, local sourcing model was under threat given these new circumstances:

People are spending less, people are shopping around more, they are looking to spread their purchase between the discounters and the likes of ourselves. We have got the nightmare of cross-border shopping. We have now got say our largest competitor, is shipping goods directly in from the UK and therefore the costs of Irish indigenous products, which is what we're committed to, is creating a disparity and therefore, we're under pressure to bring our Irish suppliers down to a level where we can compete with stuff that is being brought in from the UK, or down from Northern Ireland. (I1.2, R2)

The interviewees indicated that the Group was being more demanding of its employees, retailers and suppliers and was facing more labour relations issues as it responded to economic pressures.

6.4.1 Interactions with Retailers

The retailers indicated that trading conditions were very difficult and a small number of their colleagues had to enter liquidation or receivership processes. Several of the group members indicated that, with the approval of the CC family, collectively they were "living the values" in relation to retailers:

We're supporting retailers, like we're putting up finance in certain cases, like that's supported by the family. Do you know what I mean? They kind

of say, okay, just long-term ... It might cost less in the short-term but long-term like, I mean, that helps our ... that sustains our business. (I21, R2)

Each of the retailers also talked about the Group's support of other retailers experiencing difficulties. Although none of the participating retailers discussed their specific situations they indicated that they could rely on the support of the group members if needed:

They are so human. They are so human. They wouldn't take a ... if the sheriffs came in the morning to take the shop off me, I know they'd have my back. You know, they're very human. They don't want to be seen as, oh, there's a great store we could get our hands on. Do you know what I mean? And, great, sure we could just get somebody else in there in the morning, they'll pay la la la money. That's not what they're ... that's not what they're about. And you can even see it in the current climate where retailers are struggling. They're not putting the shops up for sale on them and going, now, you're out, next person in. They're standing by their retailers, and that's phenomenal ... that's a phenomenal thing to see in a company, you know? (I17, R2)

6.4.2 Interactions with Suppliers

Several of the group members indicated that value-based claims could be given precedence when dealing with individual suppliers as well:

We made a decision to go with our longer established company even though they were more expensive because we felt we had a relationship with them, they knew our business, we ... you know, we knew them and that ... you know, if we didn't give them the business they'd actually be gone out of business. So we took the long-term stable relationship from the past, the present and the future, and we made a decision we're actually going to continue to support this company. (I12, R2)

However, they also indicated that their collective commercial characteristics came to the fore in their interactions with suppliers when they felt threatened by external economic events. When the Group's largest competitor moved from Irish to overseas suppliers to reduce costs, Group members had to renegotiate with suppliers to bring down costs on both sides. This

was, however, perceived as a better approach than reducing the level of Irish-sourced goods that the Group purchased:

We've had to work very, very hard and we've had to have a lot of very honest and open discussions with suppliers and say that "If you guys want to work with us to sustain all of our businesses through the current economic situation and match the pricing that Company X are able to get by bringing stuff in from the UK, well then you've kind of got to get real. (I1.2, R2)

6.4.3 Interactions with the CC Family

The family director and several of the senior management interviewees indicated that OI claims played a significant role in the interactions between the family and the company. The family director indicated that value-based OI claims had been included as part of a strategy document that set out the family's expectations for the business when the last CC family CEO had stepped down several decades previously, "what is very key in there (the strategy document) ... are the company values" (I7, R2). This director suggested that as part of the governance process they wanted to evaluate group members on both commercial- and value-based OI claims and expected the CEO to do the same:

Ultimately it is either what you are or it isn't, and again you have to live the values and do you live them every day? We would hope that we try to. But I think that certainty from a responsible ownership perspective it is having the courage to sort of codify them and having the courage to stand up the management of the company if we think that they are being overstepped. The management work with them every day and I think the key there is the attitude of the Chief Executive. It is pretty obvious pretty soon if the Chief Executive doesn't live the values. Our one does most emphatically. He is very good. He is there and he would be pushing back and challenging the management boards in the company. (I7, R2)

The CEO and senior management interviewees indicated that "the exec board and the divisional boards very much use those values in making decisions day-to-day" and they believed that the family evaluated the business using both economic and OI based lenses:

.... From a family perspective, the values ... are important, and the family judge the business not just purely from an economic point of view, although clearly that's important in the long run, they also judge it as to whether it's doing the right thing because ultimately it's their name over the door. (I11, R2)

The senior management interviewees also maintained that value-based criteria were increasingly being incorporated into the Group's system of performance appraisal. Non-management group members also indicated that "living the values" as well as succeeding commercially was an expectation or norm for them:

No matter how well you have delivered to the business, if you have delivered in a way that doesn't agree with the company values you will not move on. ... So it's all about getting the balance right in the long-term relationship, and you are expected to live the values and you are, it is, it really is through everything you do, the whole honesty and integrity piece, you know. (I14, R2)

In constructing these types of narratives about past events and interactions with the Group's key stakeholders, the interviewees were engaging in implicit identity talk about the Group's enacted identity ("We supported retailers because it is the right thing to do"), just as they engaged in explicit identity talk about the Group's OI claims ("We are a family business", "We have values" "We are a community-based business"). Explicit and implicit identity talk was also employed by the participants when discussing the emergence and evolution of the sustainability programme. Sections 7.3, 8.2 and 8.3, in particular, provide examples of this identity talk and Section 10.2.2 provides an analysis of the overlap between this identity talk and the legitimisation of the sustainability programme.

6.5 Chapter Summary

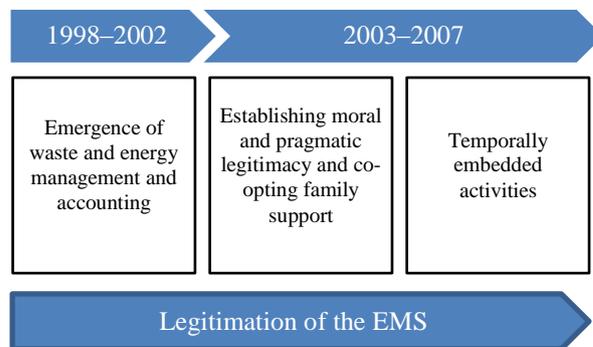
This chapter provides an in-depth analysis of the CC Group's OI and is divided into three sections. The first section considers the Group members' identity work. The second section focuses on the interviewees' discussions of the Group's central, distinctive and enduring characteristics, which form the Group's set of identity claims. The final section looks at the Group's enacted identity and considers how group members employ these claims to varying degrees in their interactions with retailers, suppliers and one another.

Chapter 7: The Emergence, Evolution and (Partial) Embedding of Environmental Management and Accounting

7.1 Introduction

This chapter considers the first of three research questions: why and how did an environmental management system emerge and evolve between 1998 and 2003 in the CC Group? This question is addressed by tracing the emergence, evolution and embedding of the environmental management system and the environmental accounting system over a nine-year period (1998–2007). The narrative is based primarily on the interviewees’ retrospective and contemporary accounts of this process, but also draws on the documentary data provided by the interviewees and the external sustainability reports. Figure 7.1 represents the section of the chronology that relates to these aspects of the sustainability programme. Each phase of the diagram is then discussed in the following sections.

Figure 7.1 Chronology of the Emergence, Evolution and Embedding of the Environmental Management System (EMS), 1998–2007



7.2 An External Prompt

The Group’s engagement with environmental issues dates back to the late 1990s and started in the Irish franchise division. Increasing environmental legislation, rising waste disposal costs and environmental risk were perceived by the interviewees as the trigger for the Group to start considering its environmental impacts and initiate a waste management process.

Several of the interviewees indicated that the external regulatory changes were perceived as having consequence for the Group in terms of cost and risk management.

Legislation firstly, rising costs especially on waste management ... and a risk management really protecting the brand against, I suppose, different things that their franchisees could have been doing, and indeed within in-house themselves. Because they had quite a big business, it's spread over multiple sites and managing the risk in terms of the environment was very important to them too. (I2, R1)

In the mid-1990s, prompted mainly by EU legislation, waste management and disposal was becoming a focus of the Irish government (Wynn, 2003). A significant amount of new environmental legislation was being prepared. The interviewee accounts⁹ and the first environment report suggest that these external developments were perceived, at the time, as having an element of coercive pressure:

The one issue that is to the forefront of my mind [Group MD] and has gripped every business in this country today, often threatening to hold us to ransom, is waste management. (CC Group, 2001, p. 1)

However, the subsequent development of the environmental management and accounting systems, external reporting and the sustainability programme go far beyond the original regulatory requirements. The environmental executive indicated that the regulatory pressure triggered, but did not shape or limit, the Group's engagement with sustainability:

What was the trigger for us really getting stuck into sustainability? And at the time it was probably waste and the cost of waste. It was the economic trigger that opened up this Aladdin's cave of a sustainability opportunity. It was the mechanism that got us into sustainability. (II.2, R2)

⁹ Not all of the interviewees were employed/involved with the company at the time the environmental activities started. This section draws on interviews with interviewees who were involved in setting up the first environmental activities and reports.

7.3 Evaluating Environmental Management

In late 1998, the franchise division engaged an external environmental consultancy firm. The lead consultant proposed a new set of waste and energy management activities to the group board. He indicated that the proposed environmental management system was comprehensible to the group board members, in particular the family directors, from the start:

Even sitting down and addressing the board for the first time in 1998, I didn't really know what to expect, but they just said, yes, yes, why aren't we doing this already? It makes sense, you know, and off we go. (I2, R1)

Although the interviewees acknowledged the role of external changes in triggering the Group's recognition of environmental issues, their explanations of the Group's motives were internally focused. The external consultant suggested that "it was partly company ethos and the family ethos from the family business and really from a business perspective it was to be different and better" (I2, R1). The retired CEO and divisional director were key actors in the decision to develop the environmental management system. When explaining this decision, they drew on descriptions of the Group's character and actions and suggested that the new activities were desirable and appropriate in this context. The divisional director suggested that, by engaging with environmental issues and putting better waste activities in place, the Group was "doing the right thing" and "living its values."

And it [the values] drives a lot of what we do. And then there's the financial piece. And in particular for CC, and it is quite genuine, and deep rooted, that our business is basically rooted in the community. It is our business really, and it is our point of difference. And we have to, if we're to live to our values, then we have to make a contribution. And we have to have social responsibility to that community we live in ... So why did we commence doing all this? Because we genuinely believed that we had a responsibility to play a part in society and community. (I6, R1)

The retired CEO also indicated that the old waste activities were inconsistent with other aspects of the Group's behaviour and the new activities were a pro-active response consistent with a long-term perspective:

On one hand we were actively promoting tidy towns and actively engaged in the promotion of a better environment generally, well then it seemed almost counterproductive to be putting waste into landfill if there were other ways of dealing with some of this. So, I think that's probably pretty well where it started and that was the thinking behind it. (I3, R1)

So, then thinking further about the environment generally, one could see that coming down the tracks government, or even international governments, were becoming concerned about the amount of waste, I suppose, in as many forms that we were creating and then there was obviously significant concern about the amount of waste, for example, specifically that was going into landfill and that this wasn't sustainable long-term. I think that we, in CC Group, we would try and be pro-active in terms of trying to do something about that rather than be forced to be reactive when, perhaps, you may have some legislation and so on coming at you. (I3, R1)

However, despite the availability of a plausible explanation for the proposed activities, there was a deficit of active internal support once the activities were brought in.

7.4 Lack of Internal Support

In 1998, the franchise division (CC Retail Partners Ireland) established the first environmental action team. This team and the external consultant managed specific environmental projects, and developed an environmental policy and an internal environmental management and accounting system. The new activities focused on measuring and reducing the company's environmental impacts – in particular waste and energy management. The company also began engaging with its suppliers and retailers on environmental issues by: starting a common waste contract for franchisees; including environmental measures in the operational audits of retailers; including energy and waste management training in the franchisee training process; and holding a Greening the Supply Chain conference with suppliers in 2002. Along with the new activities, environmental accounting also started to emerge with the aim of gathering data on energy usage and waste generation on an ongoing basis. An environmental review of the division was also carried out in 1999. The review involved an environmental audit of 23 Irish premises (four distribution

centres and 19 supermarkets) to gain an overview of existing activities: “a huge range, everything from almost criminal to really good” (I2, R1) and the main areas of environmental concern: waste management; energy and resource management; materials management and training (CC Group, 2001, p. 26). The division then installed metering and tracking to allow detailed accounting for their waste, energy and transport activities. KPIs were also put in place for the division’s environmental action team.

Even though the new environmental management system was comprehensible, the CEO indicated that there were a lot of concerns about the new activities:

I think the biggest concern was just to try and understand where it was all going to lead to. Where are we going? We had no expertise, we had no in-house expertise. This was all pretty new stuff. So, how are we going to cope with all of that? And how would we know that we were on the right track and not trip ourselves up somewhere along the way? ... They were certainly early concerns, yes, absolutely. (I3, R1)

The external consultant indicated that the family directors, however, were supportive of the new activities: “Yeah, it was the family [who] pushed it originally through the [group] board. And, the original presentation we made to CC’s board had family members present ... And, they were very interested” (I2, R1). Despite the approval of the company’s most powerful stakeholders, there was little internal support from group members at any level for the new activities. The franchise division board appointed one of its directors as an environmental champion. This director delegated most of the responsibilities for the process to one of his managers. When this manager established the first environmental action team, there was no active staff support or commitment to the team:

I seconded an excellent guy within my department, who had a great love for it, and genuinely had the passion. I didn’t have the time, and I certainly didn’t have the passion that he had. And when we installed our EAT [environmental action team] team here, nobody wanted to go on it. I mean it just did not interest anyone. Nobody turned up for it, for lots of meetings. But this guy stuck with it, and he actually drove it. (I6, R1)

7.5 Emergence of New Policies and Structures

Gradually, policies and systems were developed by the team leader and the external consultant. In 1999, the company published its first Environmental Charter. Transport and energy management systems were developed. Targets were set and monitored for environmental performance with a focus on waste and energy management. There was also some activity in the other main Irish division (wholesale), which was coordinated through the franchise division's environmental action team. When the company published its original report in 2001, it won the first of several ACCA awards for sustainability reporting. The evolution of the transport and energy management systems can be traced through the environmental reports, which show progressively more sophisticated quantitative measures and reporting of performance relative to the company's targets. In some cases, these systems were tied into the company's performance management systems. For example, if the drivers reached their miles per gallon target, they received a year-end bonus, or if the retailers met their recycling target they received a rebate on their waste charges.

However, the interviewees who were involved with the activities during this time recalled that the lack of internal support persisted for several years. Group members were seen as apprehensive, indifferent and at times resistant to the new activities. People were perceived as feeling "somewhat vulnerable" (I1, R1) when asked to get involved in these new unfamiliar activities. The environmental action team was "self-contained" (I5, R1) and separate from other parts of the business: "in the early days ... many, many people ... saw that the environmental issues were the responsibility of the environmental team which sort of sat over there, and therefore like if there was an environmental problem the environmental team would sort it out" (I1, R1). Similar issues with apprehension and uncertainty arose in the environmental accounting process where there were "a lot of questions on why are we answering this and what's this got to do with us?" (I2, R1). This lack of progress with the new activities was reflected in the 2002 report:

I am pleased to report on the progress we have achieved across our trading divisions. At last, we can see the fruits coming through into our day-to-day business and operational functions, particularly in identifying the true benefits of proper environmental management across the board. Although

this process has not been as rapid as I first imagined, substantial progress has been made. (Group MD) (CC Group, 2002, p. 4)

Support from the retailers was also problematic (CC Group, 2002, pp. 4, 42, 57). In order to improve environmental management throughout the span of its operations, the franchise division needed the retailers to adopt new waste and energy management systems. The nature of the franchise relationship presented a challenge, as the owner managers, in this area at least, had a certain amount of choice as to how they wished to operate. The Group could not just “issue a dictate from head office that from today we are going to do this and that’s what happens” (I1, R1). The waste and energy management initiatives met with varying levels of resistance and support. Some of the franchisees were seen as being very involved and proactive in the area, but this was not universal:

So unfortunately there are retailers out there who don’t buy any of this ... the way that we do. They just see it as noise, distracting them from the main goal of business ... it’s such a fast-paced business, huge pressure and trying to maintain their business they just cannot distract themselves with this sort of stuff. (I1, R1)

The new activities needed to build legitimacy of all types with key internal constituents including the management and executive directors of the company (in order for it to be part of the decision-making processes and be allocated resources) and with the staff (for it to be incorporated into the day-to-day activities of the company). In addition, gaining legitimacy with retailers would be important if the environmental management system was going to be embedded into the span of the company’s business. Engaging the external consultant had co-opted an expert for the activities; however, it also perpetuated the perception of environmental management as something separate from the company’s main activities. The external consultant felt that “we were becoming too involved within the company and a lot of the responsibility was staying with us rather than company people. So it was becoming a little bit distant from their day-to-day activities” (I2, R1).

In 2003, following discussions between the directors and the external consultants, the environmental executive was appointed. The interviewees perceived this as a key event in the legitimization of the environmental management system. The new role was positioned within the Group rather than within the divisional structure with direct reporting responsibilities and

access to the group board. The role included establishing environmental action teams in three other divisions, supervising these teams, coordinating work between the divisions, developing policies, publishing the environmental reports and reporting to the group board. The following section discusses the internal legitimation of the environmental management system following the appointment of the environmental executive, which gradually removed the liability of newness and garnered internal support for the activities.

7.6 Internal Legitimation 2003 to 2007: Establishing Pragmatic and Moral Legitimacy

Appointing the environmental executive contributed to the moral legitimacy (procedural and personal) of the activities through the formalisation of the structure for environmental management and the strengthening of its linkages to the existing hierarchical structures including, in particular, the group board. One of the team leaders indicated that activities were now seen as “top-down” (I5, R1) and the company had “decided then to take the environmental issues then on a very serious basis ... the appointment of a Group Environmental Executive underpinned that commitment” (I5, R1). However, this strategy alone was not sufficient to gain widespread internal support for the environmental management system. The environmental executive indicated that he encountered resistance from group members when establishing the other environmental action teams: “I remember one of the very first meetings in Belfast somebody saying, well, this policy is all well and good ... but it doesn’t really apply up here.” (I1, R1)

A range of strategies emerged to further build the internal legitimacy of the system. The legitimacy of the activities was built through: the promotion of the pragmatically and morally valuable outcomes of the activities; the continued development of policies; the co-option of credible supporters of the process; and the linking of the process to the existing hierarchical structures within the business. Each of these strategies contributed to establishing the pragmatic and moral legitimacy of the new system.

7.6.1 Establishing Pragmatic Benefits

There was an initial focus on building pragmatic legitimacy at a local level (within the divisions and with retailers) for the environmental management system. The interviewees’ accounts suggest that the environmental executive and the external consultant sought pragmatic legitimacy for the new activities by demonstrating that they were in the economic

best interest of the Group or the audience concerned. The external consultant suggested that there were “a lot of easy wins” (I2, R1) in the form of cost savings and risk management opportunities. For example, in the area of waste management, there was a huge variety of practice across the franchised stores. The common waste management contract allowed the Group to monitor existing performance and require better performance from its retailers but also provided the retailers with significant cost savings.

Highlighting these pragmatic benefits was perceived by the environmental executive as a very important strategy in helping to convince the “doubters” (I1, R1) within the Group. “Approach(ing) this from a business perspective” (I1, R1) and not being seen as “just a green tree hugger” (I1, R1) also helped to bring “credibility” (I1, R1) to their role. Accounts of successful projects emerged throughout the business and helped to recruit more group members into engaging with the system: “if you have successes, the successes very quickly spread around the business and other people think, well, I wouldn’t mind having a piece of that” (I1.2, R2). Employees and managers were “discovering” the pragmatic benefits of the environmental management system, and the link between the system and cost savings was becoming cognitively established:

Now, this is one of the things that we’ve had to do along the way, we have had to create a link and demonstrate to people that doing things in a sustainable way very often brings you costs benefits as well. Now, we have got belief because people have discovered it. They now believe it and now they want to do it. So, it is no longer a case of me having to phone people up and say, “Can we do this? We need to meet up and discuss this.” Now, I am getting information back from people saying, “We can do this” or “We’re going to do that and we think it’ll mean this, we think it’ll mean that” and “By the way, can you calculate the carbon benefits if we do this?” (I1.2, R2)

Establishing the pragmatic, best-interest type legitimacy of the environmental management system resulted in support for the activities from the group board and family directors in the form of funding. During this period (2003–2007), there were substantial budgets available to the environmental action teams: “the company gives us a relatively large budget to work [with]” (I5, R1). Unsurprisingly, this willingness to invest in projects was linked to the fact

that the projects would generate environmental benefits *and* cost savings: “in fairness ... when you can demonstrate to them that something is cost effective and will make a difference, there’s no problem about investment in it” (I2, R1). The environmental executive and the team leaders were quick to stress that the savings generated by environmental management “far and away” out-weighed the “time, effort and expense” that went into the system, particularly in the area of waste and energy management. These cost savings provided a key source of pragmatic legitimacy for both the environmental management and accounting systems. The environmental executive and the external consultant engaged in project-specific environmental accounting as a way of providing information on cost avoidance. The external consultant suggested that one such exercise for the Group headquarters built in 2005 was very convincing:

They were never terribly convinced on the energy until they built the headquarters last year and they said, OH MY GOD, it costs us to build less than an extra 5% on the building cost but over the lifetime of the building they will save multiples of hundreds and hundreds of percent on energy costs and water costs. And they never thought it could be done and they thought that the technologies just weren’t there to do it. But that, that has been very convincing in terms of another cost avoidance that can be built in and retrofitted across the business, ah, quite quickly, and that has happened... (I2, R1)

Promoting the cost savings associated with environmental management was particularly important in establishing pragmatic legitimacy with retailers, who were under “extreme margin pressure and cash flow pressures.” The franchisees indicated that this strategy had been adopted as the selling point for the retailer audience:

But they don’t sell it in an ecological sense. Ecology, if that is the right word, doesn’t really work. It’s more sold on the cost saving type of ... but I mean that’s what it is really. You do one thing and you sell it as something else, depending on who you’re talking to, you know. That’s the reality, but there would be ... I would suggest, if they do the energy audits, there would be a sincere want to do the right thing, yes. I would imagine there’s sincerity behind it. (I20, R2)

In addition to the pragmatically valued outcomes, the morally valuable environmental benefits of the system also contributed to building its internal legitimacy.

7.6.2 Aligning the Environmental Management System with Socially Valued Concerns

The strategy of legitimating the activities through their pragmatic benefits had limitations. The benefits of the cost savings did not accrue directly to the Group's or retailers' staff: "saving money was not a hook for them" but making "a big contribution to the environment you live in" was a "genuine hook" (I6, R1). The key participants (the environmental executive, the external consultant and the team leaders) in the activities sought to construct explanations for the activities that linked them to socially meritorious outcomes. Environmentalism was becoming a more mainstream and normal paradigm of concern in Ireland during the early 2000s and Irish people were strongly supportive of government led environmental initiatives including regulation and even higher prices or taxes (Motherway et al, 2003, p. xi.). The environmental executive indicated that he could now construct explanations for the activities that incorporated this emerging societal concern for the environment and emphasised that "everybody has responsibility for the environment, you know it's like the Power of One [government led energy saving campaign] type concept everybody has a responsibility for the environment" (I1, R1). The rise in general public awareness of environmental issues coupled with numerous internal environmental training courses was seen as having changed the mind-set of staff involved in the day-to-day operations of the company:

Well, changing of the mind-set of people who would have traditionally used compactors and wouldn't have worried about recycling, and to get even that initiative going, once you started it, it was amazing to see the number of people coming up with ideas. (I4, R1)

The environmental executive also sought to de-mystify the activities by aligning them with group members' existing areas of expertise.

... for instance if you put somebody onto a team who is a transport manager and you want to talk about cutting truck emissions well then you talk about things like fuel efficiency that is the language they understand, and from there you sort of get, you get common ground and you can get ideas from them they'll tell you what things can and can't be done. (I1, R1).

He indicated that once group members became involved in the environmental management system, they saw that there was “no black art in this” (I1, R1) and they started to see the “common ground” (I1, R1) between the activities and their own roles.

7.6.3 Formalised Policies and Accounting and Alignment with Existing Structures

The environmental executive developed additional formalised policies for the environmental management system and links with the company’s existing hierarchical structures. Both of these strategies helped to build the system’s procedural legitimacy. The environmental executive’s role involved “negotiating and cajoling” and in some cases he had “to be prepared to stand up and argue with people, where you’re getting pushed back on something.” When dealing with a challenge to the establishment of one of the environmental action teams, he emphasised that the activities were based on “non-negotiable” group policy:

I was saying well, their policy is non-negotiable really, it’s a group policy, it’s how we as a business define the way we are going to do things. However, there may be things in here that have less relevance for you than others and you must weight your policy, or, sorry, work plan in the directions you feel necessary. But all the time recognising that all of the policy applies to you. (I1, R1)

The environmental executive also sought to co-opt the support of the divisional and group directors for the environmental management system. He indicated that this was a key strategy in overcoming the lack of staff commitment and support for the system:

The only way you can really, really or realistically get projects done is by embedding them in the department where they need to reside and that they are driven by the director with responsibility for that department. (I1, R1)

This strategy also provided the environmental executive with an element of coercive influence. Employees perceived (or could be reminded) that the process was supported by the company’s formalised policies and its senior management:

You say, well, not only have you got this, this and this, but there is also this responsibility, around corporate responsibility, we’ve signed up to this as a board, as an organisation, and we need your support if we’re to deliver what we want to deliver. (I1, R2)

In addition, the environmental executive, the team leaders and the external consultant substantially developed the Group's environmental management accounting during this period and there was now internal reporting at both divisional and group board level on a quarterly basis. Both the interviewees' accounts and the documentary data suggest that an environmental accounting system was developed to include the majority of the Group's operations¹⁰ between 2000 and 2005. In 2000, the company's system accounted for energy usage and carbon dioxide emission and estimated the waste generated for the franchise division alone. By 2005, the environmental management accounting system was collecting an extensive set of hard data on its environmental impacts across its divisions and sites in relation to emissions, energy and waste:

I suppose from a systems point of view we've had to put in systems to gather data ... And that's basically everything, like I say, from MPGs to energy use on site, to diesel we would use, to waste and so on, there's been various kinds of systems put in at different levels to gather that information. I mean physically we would have had to install energy monitors on site to gather information about energy use. As part of our tender documents to our waste contractors, we would have had to ensure there's a process there they can report back to us on the amount of waste, basically on every individual unit and also then recycled as per the actual material, cardboard, plastic, timber, whichever else it is. So, there was various IT or communication systems put in to provide that information. (I5, R1)

Data on the company's social performance were also being collected and reported. Table 7.1 (p.109) contrasts the quantitative environmental and social data reported in the external reports in 2001 (for 2000) and 2006 (for 2004 and 2005), with comparative figures for 2002 and 2003. Using this system and a set of reporting templates, each division had to report, by site, quantitative environmental data each quarter. Internal quarterly reports were prepared using these data and qualitative information on new and continuing environmental projects. These quarterly reports, reviewed at divisional and group board level, formed the basis of the external reports. The numerical data collected every quarter were supplemented by a

¹⁰ The environmental management accounting system did not, at this time, extend to the company's smallest division in Spain (3.7% of turnover in 2013).

Table 7.1 Comparison of Environmental and Social Data Reported in 2001 and 2006

	2001 Franchise Division Only	2006 for Irish and UK Divisions (unless otherwise stated)
Environmental Spend	N/A	Environmental budgets for environmental action teams
		Environmental spend by division and for the Group
Waste	Estimated typical waste categories (% by weight) at each store type	Waste management data 2002 to 2005: <ul style="list-style-type: none"> • Number of participating premises • Total waste collected • Diversion from landfill
	Estimated tonnes of waste generated in 2000 for the franchise division and retail stores	One-Stop-Shop Waste contract data (Including Retailer Stores) 2002-2005, Republic of Ireland and Northern Ireland: <ul style="list-style-type: none"> • Number of participating premises • Total waste collected • Diversion from landfill
	Detailed waste characterisation for one retail store	Waste Indicators for owned facilities 2002 to 2005: <ul style="list-style-type: none"> • Cases sold • Total waste • Total waste per case • Diverted from landfill • Diverted waste kg per case
		Packaging study data for own brand products
Emissions	Estimated of gas emissions in 2000 from franchise division's buildings	Electricity NOx emissions
	Tonnes of carbon dioxide from the transport fleet in 2000	Electricity Sox emissions
		Transport indicators 2002-2005: <ul style="list-style-type: none"> • Cases delivered • Kilometres travelled • Total CO₂ emissions • CO₂ kg per case • CO₂ per kilometre
		Transport Nox emissions

	2001 Franchise Division Only	2006 for Irish and UK Divisions (unless otherwise stated)
		Transport Sox emissions
Energy	Fuel consumption per 100 km in 2000	Energy related Carbon emission from buildings, 2002 to 2005
	Estimate of energy savings and greenhouse gas reduction achieved by improved lighting technology installation at retailers' store	Buildings Indicators, 2002-2005: <ul style="list-style-type: none"> • Cases sold • Building area Buildings emissions
		Summary of building energy consumption and emissions per case sold
		Summary of building energy consumption and emission per unit area
Social (2004 and 2005 only)	N/A	Employment breakdown by business unit
		Employment type by business unit
		Indirect employment figures by business unit
		Trade union membership by business unit
		Occupational health and safety data: <ul style="list-style-type: none"> • Injury rate • Occupational disease rate • Lost day rates • Absentee rates No of fatalities
		Average training hours by employee category
		Percentage of stores certified to the hygiene standard by Excellence Ireland (franchise and wholesale divisions)
		Number of employees who left employment
		Number of employees who left employment broken down by age group and gender

questionnaire circulated annually to the departments (e.g. Finance, HR and so forth) within each division. This was used to gather additional information required by the GRI standards for the external reports.

As the environmental management accounting system developed, the franchise division's environmental action team leader was then able to introduce targets and incentive systems for the division's drivers and retailers, adding to the best-interest type legitimacy of the activities with these audiences:

We've also introduced systems for rewarding people; so if drivers reach the corporate target of the MPGs then there's a bonus that they're given at the end of the year. Likewise from a retailer level, if retailers meet corporate targets in terms of waste recycling, then they're given a rebate, a bonus and if they achieve above, 10% above that, then they are given an extra bonus again. (I5, R1)

In addition to these new policies and structures, the environmental executive and external consultant also sought to co-opt the CC family as supporters of the environmental management system.

7.6.4 Co-Opting Family Support

Given their position, as economically and socially powerful stakeholders, the CC family represented highly credible co-option targets as they could influence the legitimacy evaluations of the group's members and senior management in particular. Consistent with their approach to the management of the company, family members were not actively involved in the environmental management system, but the family director indicated that they provided their support at the board level. The family director indicated that he was motivated to provide support for the system and later the sustainability programme as he believed that engaging with sustainability was part of having a "well managed business" and that not having such a process could expose the business to reputational risks. He also suggested that it was the "right thing to do" and aligned with the Group's values, "bringing them more up-to-date and maybe making them more actually granular." He linked the environmental activities to the Group's history: "I think it is a logical continuation of the way we have been doing business anyway."

The family director indicated that his support involved approval of the activities at group board level and informal encouragement and feedback to the environmental executive and other group members involved in the environmental management activities:

I think it is broadly supportive and also taking the time to learn about it and to understand it and put it on two folds, to recognise that the responsibility for the day-to-day driving of it is with the divisional boards, so the assumption is that they are doing that, they are actually working on it. It will come through their board reports so there is a feedback loop ... We would get updates on ... so there is a chance to question and challenge and ask questions in there. That is probably the main areas. It is just being aware of the importance of it and also encouraging people. People might say “why are we doing all this”, and as a family member you have got to remember that you have to give out the right signals. So, if X [the environmental executive] produced something, I would certainly go down and encourage him. (I7, R2)

The CC family were perceived by the environmental executive and the external consultant as being “extremely supportive” and proud of the company’s environmental performance. Both the environmental executive and the external consultant emphasised that the family had provided support for large-scale projects requiring significant investment, such as the Group’s environmentally friendly head office, the first large-scale building project to include environmental considerations in its design and construction. In the planning stages for the building, the environmental executive sought to introduce environmental criteria into the design that pushed the build budget over its original estimate. He indicated that the CC family had “no hesitation” (I1, R1) in supporting this overspend because the project was aligned with the family’s beliefs:

So they generally, are ... very supportive as well, you know. I mean when we designed this building here they had no hesitation in spending all of this extra money because they felt we are who we are and we, we want to sort of exhibit what we say, so here’s an opportunity for us to put into practice what we say we believe in. (I1,R1)

Each of the legitimation strategies had limitations vis-à-vis gaining active support from different constituents. Retailers were motivated to support the new system only if they viewed it as meeting their demands for cost savings. In contrast, staff members were perceived as being motivated to actively support the new activities when they were shown to accord with broad social concerns about the environment and aligned with their existing area of expertise. All told, however, the legitimation strategies employed, primarily by the environmental executive and external consultant, led to the environmental management and accounting systems being actively supported by the Group's staff and even to a more limited extent by the retailers. By 2007, the interviewees indicated that a substantive array of routine environmental management activities had been developed that (imperfectly) spanned the Group's divisions and were embedded into day-to-day activities, that environmental considerations were becoming part of group members' decision-making processes and the Group had significantly improved its environmental performance.

7.7 Temporally Embedded Environmental Management System

The embedding of an activity or practice within an organisation involves both depth (the degree to which the practice manifests itself across various types of activities) and span (the extent of the practice not just within an organisation but throughout its entire supply chain) (Basu and Palazzo, 2008). The structures and policies of an embedded practice will affect everyday decisions and actions, and the personnel involved in this practice will have the confidence of, and regular interaction with, other departments and their managers (Weaver et al., 1999, p. 540). An embedded practice is likely to be supported by other organisational policies and activities and managers and employees are "held accountable to it, take note of it, and see it as having a valued role in the organisation's operations" (Weaver et al., 1999, p. 540).

By 2007, the environmental management system was perceived by most of the interviewees as embedded into the daily activities and decision-making processes of the Group. Not all of the new environmental activities had been successful. A small number of projects were trialled and not continued due to a lack of pragmatic benefits or because the technologies were seen as underdeveloped and untested. For example, a cryogenic refrigeration trial was discontinued because the technology was not sufficiently advanced and this made the project economically unfeasible. However, the majority had been successfully implemented and the

interviewees perceived a growing awareness of environmental issues throughout the company. The interviewees indicated that there was continual development and expansion of the environmental management system and that environmental activities were now part of the day-to-day activities in the company's core areas of operation: product sourcing and packaging, warehousing and logistics, and buildings and store development. Based on the 2001 to the 2006 Sustainability reports, Figure 7.2 (p.115) provides an overview of the Group's environmental activities between 1998 and 2006 (Appendix H provides greater detail on the projects).

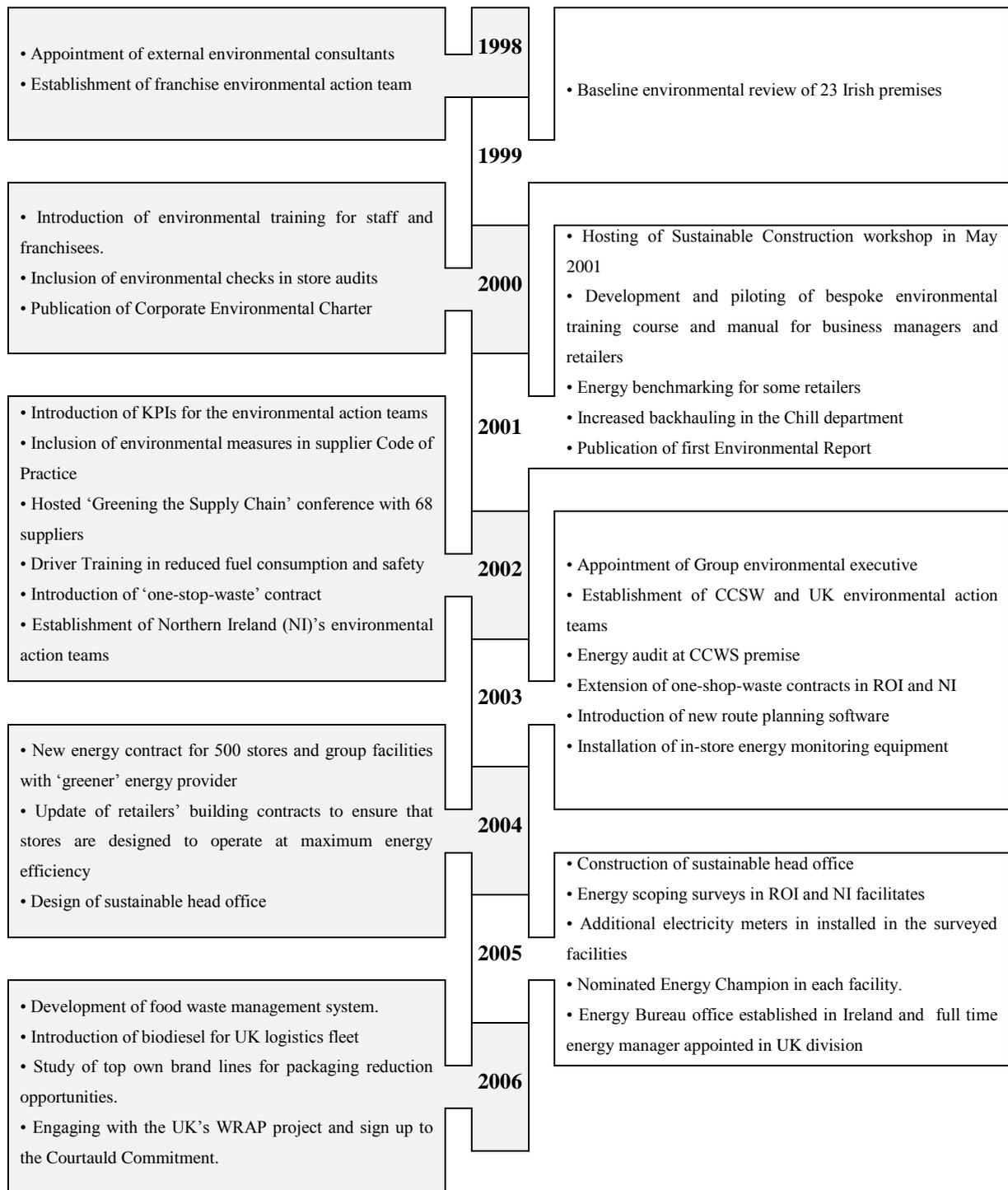
The interviewees also perceived a greater incorporation of environmental considerations into the decision-making processes within the company. There was a "recognition that there is something else out there, it's not all about cost, it's not all about quality of the product, that there is an, another area, another sort of consideration to be taken into account" (I1, R1). The environmental executive found that his advice was being increasingly sought out by managers within the company in relation to new projects or procurement:

What does kind of happen nowadays is that people will ask for advice or guidance. We're building another building in another site, so the first thing that people internally ask themselves is there anything that we can, information that we can leverage from CC Group that will help us. And you find yourself sitting with people and giving them pointers and that's now influencing the way that building is being designed. Now in the past that building would have been built, they would have looked at floor area, furnishing, fit out, all of that. Energy, energy efficiency, you know, heat loss all of these things would not have been considered as important. So you know that's the change.

The environmental action team leaders perceived senior group members as buying into the environmental management system. Ideas and initiatives were seen as coming from the top down:

I think quite a lot of ideas are coming from the top down, that the management team themselves are deciding, well, we need to start looking at key areas and then delegating that responsibility down through the team, through X [the environmental executive]. So, there has definitely been a

Figure 7.2 Overview of Environmental Activities from 1998 to 2006



sea change in terms of attitude towards environmental and corporate responsibility issues. (I5, R1)

Environmental management accounting also contributed to changing the day-to-day activities within the Group and its retailers' operations and improving the Group's environmental performance. The system made staff and retailer performance in relation to waste and energy targets visible. Along with project-specific environmental accounting the environmental executive could use environmental management accounting to highlight the concrete pragmatic benefits of the activities, in the form of waste and energy costs savings and cost avoidance, to managers and retailers. However, the environmental management system was not yet seen as fully embedded. The environmental executive expressed his frustration that environmental considerations were not always included in decision-making processes:

It doesn't happen, as I said to you, I'd be lying if I said it happened with everything, there are times things happen, we develop a new range of product and nobody considers the packaging. And that's a frustration, but we're starting slowly to get into all of these kinds of areas. (I1, R1)

Embedding environmental management activities into the span of the company's supply chain was perceived by the environmental executive and the team leaders as a continual challenge. For example, compared to its internal waste management process, the common waste system for retailers was more problematic. Progress in the early stages was disappointingly slow (CC Group, 2001; CC Group, 2002). Nonetheless, the system survived, began to gain more participants and at the close of the case study was operating with a large number of retailers. Supplier support was contingent on economic considerations. Smaller or exclusive suppliers were perceived as being cautious but generally co-operative. They were wary of adding extra costs or making changes that might affect product quality, but would engage in projects that generated cost savings. However, the company's size relative to some of its largest suppliers was perceived by the environmental executive as leaving them with little ability to influence these suppliers:

You have no influence over ... very large branded suppliers. Whilst we appear to be a big company in an Irish context, we really are just a little blip in the ocean as far as the global market is concerned. So the large branded suppliers are not really going to be influenced by us ... The ones

we do have influence would be exclusive suppliers ... you can then work in partnership because you have guaranteed volumes. (I1.2, R2)

Despite this reluctance on the part of suppliers, the environmental executive and the environmental action team leaders indicated that there were individually successful initiatives with suppliers. Overall by 2007, the environmental management and accounting systems were perceived as having created considerable change within the company's infrastructure, operations management and decision making. The environmental management system as a whole had developed both depth, in terms of environmental activities manifesting themselves across the company's core activities, and span, as the company had sought to extend these activities (somewhat) into its supply chain and in particular into its retailers' businesses. The structures and policies for the process had been extensively developed and were now perceived by the interviewees as affecting everyday decisions and actions. The personnel involved in the environmental management system, in particular the environmental executive, had the confidence of, and regular interaction with, other departments and managers as well as the group and divisional directors and family shareholders. As the environmental management and accounting systems became embedded, they were aligned with the company's existing CSR (corporate social responsibility) activities and the company's sustainability programme began to emerge. These systems would continue to evolve as part of the emergent sustainability programme.

7.8 Chapter Summary

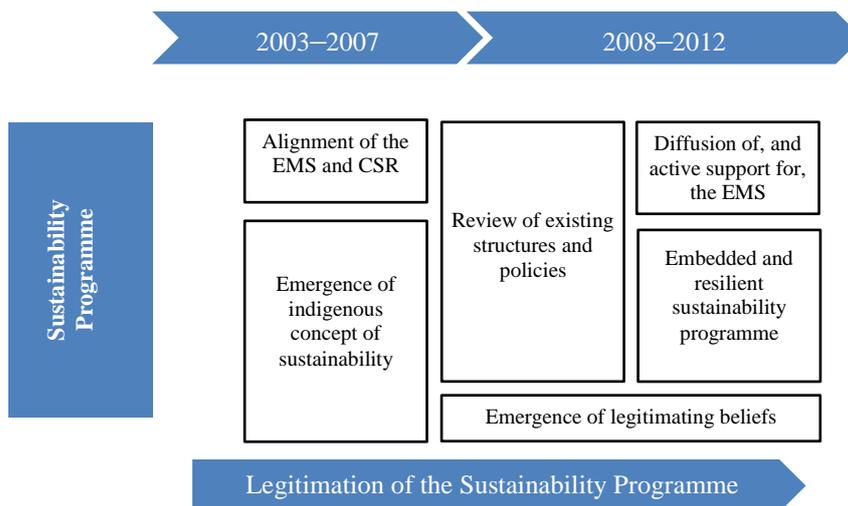
This chapter traces the emergence, evolution and embedding of the environmental management and accounting systems between 1998 and 2007. It firstly identifies the external prompt for the group's board of directors to consider environmental issues. It then discusses how the group members filtered and responded to these external pressures and provides insight into how they constructed plausible explanations for the new environmental management activities. It also highlights the initial lack of active support for the new activities and the legitimation strategies employed by key participants to gain wider internal support for the activities leading to the partial embedding of the environmental management system.

Chapter 8: The Emergence, Evolution and (Partial) Embedding of the Sustainability Programme

8.1 Introduction

This chapter considers the second research question for the study: why and how did a sustainability programme evolve and embed between 2003 and 2012? The question is addressed by tracing the emergence, evolution and embedding of the CC Group’s sustainability programme over a nine-year period (2003 to 2012). The chapter traces the alignment of the environmental management system (EMS) with the Group’s existing CSR (corporate social responsibility) activities and the subsequent emergence of a sustainability programme. It also charts the evolution of the structures, policies and activities within this programme. The chapter then discusses the continual legitimation and embedding of this evolving programme. Figure 8.1 represents the section of the chronology that relates to these aspects of the sustainability programme. Each phase of the diagram is then discussed in the following sections.

Figure 8.1 Chronology of the Emergence, Evolution and Embedding of the Sustainability programme 2003–2012



8.2 Alignment of the Social and Environmental Activities

Following on from the appointment of the environmental executive, the environmental management system was aligned with the company's existing CSR activities. The environmental executive expanded the external reports and policies to include social issues. A new social and environmental accountability policy was developed and published in 2006. The Group's external reports now included extensive narratives on its CSR activities, including ethical trading, charitable fundraising, community sponsorships, employee training, consumer awareness programmes (e.g. healthy eating programmes in stores) and supporting local suppliers (CC Group, 2003, 2006, 2008). Many of the CSR activities pre-dated the company's involvement with environmental issues and were seen as part of the company's existing patterns of behaviour. On the basis of this alignment the environmental executive was able to say that this was something the company had always done:

I often say at presentations and at meetings and things like that, you know, CC were doing CSR before the word CSR, the phrase CSR was really coined (II, R1)

The environmental executive began to expand the CSR activities beyond the Group's traditional activities (charitable donations, community sponsorship and employee volunteering) into emerging CSR areas such as ethical trading. For example, the CC Group was the first Irish company to sign up to the principles of the UN global compact (CC Group, 2003).

8.3 Emergence of a Concept of Sustainability

Following on from the alignment of the CSR and environmental activities, the company's sustainability programme emerged. The titles and content of the external reports reflect the emergence of the sustainability programme. The first external report in 2001 was titled an Environmental Report; the 2002 and 2003 reports were called Environmental and Social Accountability Reports. It is within the 2003 report that discussions of sustainability first appear. The report includes four independent commentaries, three of which are concerned with sustainability. From 2006 onwards, the external reports were titled Sustainability Reports. Case studies of sustainability projects in individual stores or towns, statistics on direct and indirect employment and examples of community and charitable initiatives became more common in the later reports (2008 and 2010).

There is also a notable change in the terms used in the interviewees' accounts over time. In the first round of interviews in 2007, the terms *CSR* and *environment* were far more prevalent than *sustainability* and interviewees generally referred to the Group's environmental or CSR activities. The use of the term *sustainability* and references to the company's *sustainability programme or process* were more prevalent in the second round of interviews between 2010 and 2012. This no doubt reflects the emergence, at a societal level, of concepts of sustainability, but it is accompanied by the emergence of a concept of sustainability that incorporated some of the Group's OI (organisational identity) claims and enacted identity. Both the interviewees' discussions of sustainability and the external sustainability reports reflect this indigenous concept of sustainability.

The interviewees' conceptions of sustainability drew on the Group's community-based OI claims, "sustainability isn't just about green issues. It's about communities and, you know, building local vibrant communities" (I1, R2). The CEO's statement in the 2008 Sustainability report sought to articulate the Group's distinctive approach to sustainability and referenced both its business model and long-term perspective OI claims:

We look at sustainability differently to other businesses. For us, sustainability means living up to the core responsibilities that any good business should have: to look after its people and customers, to minimise its impact on the environment, to produce sustainable wealth so that it benefits all its stakeholders in the long-term – and not just for short-term financial gain. Above all, it's about making a positive contribution to people's lives, to their communities and to society as a whole. (CEO, CC Group, 2008, p. 1)

This indigenous concept of sustainability provided a foundation for the legitimating beliefs that emerged around the sustainability programme (see Section 7.8). Concurrent with the emergence of this concept, the existing structures and policies for the programme were reviewed.

8.4 Evolving Structures and Policies

In 2007, the environmental executive and the divisional and group directors undertook a review of the existing structures and policies around the environmental management system and CSR activities. The (current) CEO indicated that the motivation for this review was a

desire to gain further internal support for the programme, in particular from the divisional boards:

I think the big motivation is that, and the analogy I would give you is something like health and safety, you don't delegate health and safety to a small group of people and say, you're responsible. I think you come back to the responsibility of directors which is the way we run our business, what's their accountability, what's their responsibility, what are their fiduciary responsibilities and so on. And basically in defining our governance we said, well, actually sustainability is a key part of taking the business forward and it's the accountability of each board to do that and it can't be delegated. (I12, R2)

As part of the review, the environmental action teams were disbanded in 2007. One of the team leaders indicated that the teams were a bottom-up process, and one that had done all it could:

When the EAT [environmental action team] was there, it was a kind of bottom-up process. And, even though it worked to some degree, it probably fulfilled all they could fulfil in terms of the smaller environmental aspects, if you like. In terms of driving CSR on the agenda of the board, it needed to be managed from the board perspective, if you like. (I5.2, R2)

The environmental executive also indicated that the teams had run their course: "It was a case of a recognition that we had taken this to the level, the furthest level we could. It was now time to look at a new way of doing things" (I1.3, R2). As the sustainability projects grew larger and a set of five-year targets were put in place, the environmental action teams were seen as lacking sufficient authority and influence to manage these projects and achieve these targets and too disconnected from the strategic decision-making process within the Group:

They were brilliant of their time if you like. They achieved things like better recycling rates and better waste avoidance rates and all of this kind of stuff. But when it came to things like large transport projects or energy projects or whatever, the individuals themselves were at a level with the interviewees that first of all they were perhaps slightly disconnected from

what the business strategic plan was. But also their level of influence in terms of influencing departmental strategy was probably fairly limited.
(I1.2, R2)

The environmental executive also believed that removing the teams would help to gain further staff support and ensure that sustainability activities were further embedded into day-to-day, normal behaviours:

There was a danger that these people kind of left their day roles for a period of time, talked environment and then came back to the real world afterwards. So there was a degree of abdication as well. So my view was that, for this to work properly, it needed to be something that was not seen as a separate or parallel process but something that happened in people's normal behaviours. So that was probably why we moved in that direction.
(I1.2, R2)

As part of the review, a new set of internal sustainability-related policies, a five-year plan and targets were devised at group board level. The new policies cover: Energy and Emissions (Transport and Buildings); Waste Management; Stakeholder Engagement; Packaging; Consumer Choice; Being a Good Neighbour; Regulatory Compliance; and Ethical Trading. A set of five-year targets by division were outlined for each policy at group board level. They are internal (external policies were not reviewed at this time), unpublished, short documents (one to two pages) that set out for each area: the issues that can arise; CC's sustainability principles; policy requirements and strategic direction. The targets were discussed, amended and agreed upon at workshops with the divisional directors. A quarterly performance report on these targets is now presented at the divisional board meetings and a summarised version of this report is presented at group board meetings. The environmental executive believed that they now had a "very good set of metrics" (I1.2, R2) that allowed the sustainability programme to be managed "strategically" (I1.2, R2) and in a similar manner to any other activity in the organisation:

What we're trying to do is we're trying to manage sustainability as we manage any other business process that we're serious about ... I think that's what we've done, we've put shape, we've put numbers, we've put processes in place and now we're able to say, "Well, at any point in time

how are we getting on?” The other thing I think is we now have a strategy. We tended to manage sustainability very tactically before, we kind of did a lot of projects that were great and very positive and ground-breaking and everything else, but the project delivered; there was no real vision of where that was going to take you in the longer term. Whereas now, we have a much more strategic view of where we want to be in terms of sustainability, we know we want to take our emissions down by 25% in five years. So, we now have a process in place to deliver that and it isn't until you have that strategic view that you recognise what the resource issues are. So, it has been important as well to help us to get resources in place to deliver those targets. So, positive I would argue over all. Very positive. (I1.2, R2)

These new structures also contributed to the legitimisation of the sustainability programme with the senior management of the Group.

8.5 Legitimising the Sustainability Programme with Senior Management

The environmental executive indicated that the aim of the new five-year targets and reporting system was to ensure that the senior management of the Group, the “big hitters” (I1.2, R2), actively supported the programme:

I think a lot of that [structural changes] precipitated out of the whole five-year plan. That looking at the aspirations and the requirements of the five-year plan you could easily see that you needed a lot more big hitters involved, and you needed accountability and you needed a lot more clout, let's say, than you knew could be delivered through the older process, if you like. (I1.2, R2)

The new structure was (and still is) based on each divisional board having a sustainability champion, either the trading or the logistics director, who monitors the programme in each division. The five-year targets are divided between the divisional directors. The sustainability champion has direct responsibility for the targets in his own area and the other targets are delegated to the relevant directors and monitored by the sustainability champion:

My role from that point forward [being appointed a sustainability champion] really has been one of owning some of the specific targets but

being a champion round the table to encourage everybody else to own their own targets and to deliver on their own targets so that as a division reporting into the Group we hit the targets that we set. (I10, R2)

Each year the sustainability targets are reviewed and set for the following 12 months. Targets and actions are then delegated down to the relevant staff members and teams. The environmental management accounting system was reviewed as part of the restructuring of the sustainability programme in 2007 and now includes quarterly divisional board performance reports on the annual targets (as part of the company's overall set of KPIs, and each divisional director reports on the sustainability projects in their division. The group board also receives a quarterly dashboard report. The dashboard is a summarised version of the divisional board reports showing progress on the targets as green, amber or red. The divisional board champion will usually prepare an annual standalone report on the sustainability programme within the division:

I mean it's included as a section in my board report each quarter and I'd say probably once a year it warrants a separate sort of paper or run through when we're resetting the targets the following year. Outside of that, it's part of the reporting every quarter and everybody runs through their own report and gets questioned by the rest of the board. But invariably X [the Group CEO] will ask questions around it because he's keeping it front of mind with everybody in terms of moving it on. (I10, R2)

Thus, the environmental management accounting now includes established management accounting techniques (KPIs and performance reports) that were already accepted within the business:

CC is KPI driven and target driven. So, if it becomes a KPI which a person knows is being actively monitored by a director, it then becomes a key process that has to be implemented and there is more attention paid to it through the lines of command. (I5.2, R2)

The alignment of the environmental management accounting with these existing structures put the sustainability programme "on the agenda of the relevant director teams" (I4, R1). It was now in the best interests of the directors, particularly the sustainability champions, to ensure that sustainability targets were met as performance on these targets now had an impact

on performance evaluations and bonuses for directors as well as staff. Staff performance on targets is monitored by the directors and, in turn, the directors' performance on targets is monitored by the CEO. If the sustainability KPIs are not being met, the Group CEO indicated that he would initiate a "good conversation" around those targets:

I mean from the divisional board point of view, which I chair every quarter for each of our businesses, it's absolutely on the agenda and it's traffic lighted and, you know, we have a good conversation if we're not actually moving forward on things. (I11, R2)

In addition, the interviewees' accounts suggest that a number of legitimating beliefs (O'Dwyer et al., 2011) had started to emerge concerning the pragmatic (best interest of the Group and group members) legitimacy, moral legitimacy and comprehensibility of the sustainability programme.

8.6 Legitimizing Beliefs

The interviewees' accounts indicate that a number of legitimating beliefs had emerged around the economic and moral value of the sustainability programme to the Group and its comprehensibility. Many of the interviewees indicated that the programme was economically valuable to the Group, "sustainability ... it delivers on lots of fronts in terms of cost" (I10, R2). Proponents of the programme had "proven time and time" (I10, R2) that the environmental management system could deliver cost savings and the sustainability programme was perceived as economically "self-sustaining" (I1.2, R2). Environmental project appraisals had become more common throughout the business. Several examples of these appraisals for buildings, logistics and purchasing were discussed by the interviewees. These appraisals were perceived not only as justifying individual environment projects or the inclusion of environmental considerations in projects, but also as helping to create the "belief" (I1.2, R2) that sustainability was economically beneficial for the business. The environmental executive used the example of a project appraisal for bulk shipping wine from Australia to demonstrate how this belief had developed:

So, there were all these kinds of contingent benefits around costs, less glass, hugely important from a carbon footprint point of view but equally important from a costs benefit. Customs is clearly a costs benefit, container shipping, halving your number of containers, the same volume. Huge

carbon benefit but also it happens to be a costs benefit. Now, this is one of the things that we've had to do along the way, we have had to create a link and demonstrate to people that doing things in a sustainable way very often brings you costs benefits as well. Now, we have got belief because people have discovered it. They now believe it and now they want to do it. (I1.2, R2)

This belief in the economic sustainability of the programme contributed to its resilience to adverse external events. Sitting alongside of this pragmatic belief was the belief that the programme had moral value when evaluated against the Group's OI claims. It was both "doing the right thing and helping the business" (I11, R2). One of the directors suggested that everything that comes along with sustainability was consistent with the Group's community-based business model:

I mean I absolutely think it should be part of and is part of our DNA in terms of local business, local community and looking after the community and looking after ... everything that comes along with sustainability plays to that then I don't ... I can't see a situation where it wouldn't be part of ... a major part of what we do, absolutely. (I10, R2)

The family director indicated that there was a "general perception" within the business and among the family directors that "it is the right thing to do by the values in the company and it makes sense to be leading in this" (I7, R1). The environmental executive suggested that sustainability was now "inextricably linked" to the Group's values:

Now, sustainability is seen as being, I suppose – inextricably linked to values. Because if you have values, then it is only right that you would do things in a sustainable way. Because our values talk about, you know, long-term stable relationships, ... not being greedy ... if you are greedy and use up the planet's resources, that is not very sustainable. If you don't look to the long term – that is not sustainable. So, so many of the subtleties of the values could actually be euphemisms or could be translated into a sustainability approach. So, in that sense, I would say that sustainability exists in this business because of the values of the business. But it also – it exists because on an ongoing basis it helps us to live our values. (I1.2, R2)

From the family director's perspective, the sustainability programme gave the family confidence that group members were "trying to do the right thing" (I7, R2) and that the values and shared history were being maintained:

The sustainability piece, from the point of view of family ownership, is, is sort of taken as a given in that it probably is a much more tangible emphasis on the way we have been trying to manage, ok like, in the early years manage the company and then fits in very well with the ethos and the values of ownership so that the actual sustainability like a lot of the actual sort of detailed stuff and the detail that X [the environmental executive] does is obviously sort of captured here, and from a family perspective we would have confidence that the people are and the people responsible are trying to do the right thing and we want to be seen to be leading in the field. (I7, R2)

In addition, these beliefs contributed to the comprehensibility of the sustainability programme. The interviewees could both understand and provide a plausible explanation for their collective engagement with sustainability as they believed these activities were commercially justifiable, expected by the CC family, the right thing to do and part of what they had always done and would continue to do. Arguably, the programme had also started to build an organisational level form of taken-for-granted cognitive legitimacy as it was becoming an expected aspect of how the business should be managed. The family director expressed the view that sustainability was "an integral part of managing the company well, having a well-managed and well-structured business" and "means living up to the core responsibilities that any good business should have" (I7, R2). Many of the group member interviewees suggested that the sustainability programme was now part of the DNA of the Group and embedded to the extent that it was becoming resilient to adverse external events or changes to individual activities (such as the decline in external reporting).

8.7 Partially Embedding the Sustainability programme

It's an embedded process now. We've gone through all of the birthing pains as far as getting the strategy right, getting the targets right, getting the responsibility and the accountability right. (I1.2, R2)

The interviewees perceived the sustainability programme as embedded into the company in terms of: its integration within the structures and decision-making processes of the business; receiving active CEO, top management and staff support; and the constituent environmental and CSR activities spanning the company's operations and divisions. The CEO indicated that sustainability was now a "key part" of the business:

Basically, in defining our governance we said, well, actually sustainability is a key part of taking the business forward and it's the accountability of each board to do that and it can't be delegated. So that's why it sits at the board table and clearly the people who are doing it are within the organisation. But in setting our governance, we said that this is a key criterion for us. (I11, R2)

The original environmental activities were perceived as a bottom-up process led by the environmental action teams, in contrast, the sustainability programme was perceived as having substantial and active support from the senior management, in particular the CEO:

The championing of it from X as a CEO, he's very, very strong and he insists on it being reported at every board and he will challenge it at every board meeting. So it does give a real sponsorship and championing from the top in terms of an awareness of it as well, which is good because often people pay lip service to it at that sort of level and then you can fall fairly flat fairly quickly, but I think that helps it as well. (I10, R2)

As the top-down support had grown, the bottom-up support had continued. The Group's staff continued to actively support the programme's constituent (CSR and environmental) activities and projects:

The employees get involved in the projects. The projects are driven, really, from the bottom up point of view. They are also scrutinised, and the pressure is put on by the directors to make sure that, you know, results are achieved, but essentially, the work is done in the divisions not really at manager level, it's done at employee level. (I2.2, R2)

The environmental management system had become part of the staff's day-to-day activities and was seen as part of the "way of working" (I4.2, R2). "It is not seen as another thing to do.

It is actually seen as part of what you do.” (I4.2, R2). “Mini champions” or “believers” (I1.2, R2) who initiated sustainability projects had emerged throughout the company:

..... now there are people within the business who are themselves mini champions, if you like, of sustainability ... what they're doing is in doing what they do they're asking themselves, "Is there a better way that I can do this?" And that's very gratifying because it means that the message is getting out there that we need to think more sustainably, that we need in our activities, in the way we operate, you know whatever area we're responsible for. (I1, R2)

Even those who did not buy into to sustainability were participating in the process:

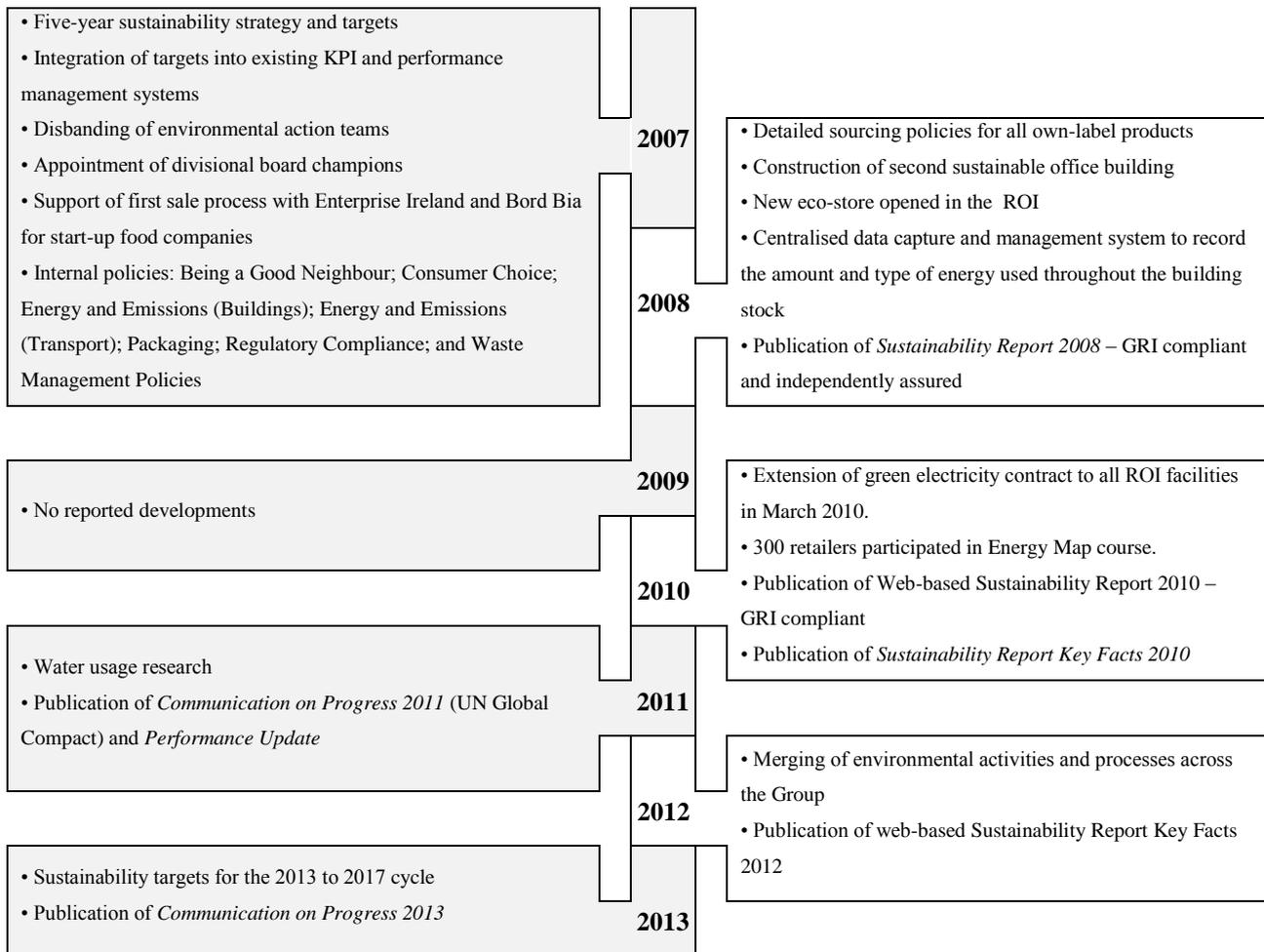
Dissent is rarely practised in the open. ... the guys who probably don't buy into it as strongly do it enough to keep themselves safe, you know. But that's fine because they deliver what is asked of them. But there are other people out there who work at it a little bit harder. (I1.2, R2)

The company continued with a variety of environmentally related training programmes for both its own staff and its retailers. New environmental management activities were initiated continually. Figure 8.2 (p.130) gives an overview of the projects implemented by the Group between 2007 and 2013¹¹ (Appendix 1 provides further detail on the projects). The interviewees maintained that environmental issues were now being considered at the onset of new projects, such as store and building development, capital purchasing, packaging redesign and logistics projects:

They are more focused on it and it becomes part of the plan of doing instead of just going afterwards ... It is actually part of the process of driving through the initiatives. It has been successful. (I4.2, R2)

¹¹ The table is based primarily on the external reports produced during that period, supplemented by the interviewees' accounts. Given the decline in external reporting over this period, the apparent decline in the number of new projects in comparison with the 1998 to 2007 period cannot be taken, per se, as a sign of decreased activity in the area.

Figure 8.2 Overview of Environmental Activities from 2007 to 2013



Active support for the newer environmental management activities extended in some cases to the retailers, some of whom were seen as pro-active in the area and initiating their own environmental projects – installing energy converters, in-store farmers’ markets, or building a roof garden to supply herbs, for example. Much of the engagement with the retailers was still around waste and energy contracts. The company staff faced a “challenge to ... make it economic for them to be able to implement some of these things”, but were “absolutely leveraging our expertise and our scale” to make the projects affordable for individual retailers. From the retailers’ perspective, the sustainability programme was now “very much [part and] parcel of their ethos, and absolutely in everything that they do” (I18, R2). It was continually communicated through training and at the annual retailer conferences: “It’s just constant. I suppose if you keep throwing mud at a wall it will eventually stick, do you know what I mean?” (I19, R2).

8.7.1 Limitations to Embedding

The interviewees' discussions of the embedding of the sustainability programme were not naïve or uncritical as there was an acknowledgement that the company's capacity for sustainability was tempered by its economic function, available resources and technological limits:

The business has a primary objective which is to operate, to run, to grow, to make a return on investment. To increase stakeholder value, shareholder value rather than stakeholder value. But to do all the things that a company does but at the same time sustainability runs as an activity that's embedded within the process of running the business. But it's not the sole reason for our existence ... The business is about being the business but operating sustainably. (I1.3, R2)

Despite these limitations to the embedding of the sustainability programme, the interviewees' accounts suggest that the process was somewhat resilient to the cost cutting that followed the onset of a recession in Ireland in 2008.

8.7.2 Impact of the Recession

Several of the interviewees acknowledged that the sustainability programme suffered because of the recession; however, it was not perceived as having been targeted for extra cuts in comparison to other areas of the business. The environmental executive and the environmental action team leaders felt that sustainability projects that were simply nice to do rather than being economically beneficial were less likely to get approval and that there was more caution around trialling untested new technologies. New projects were perceived as being subjected to greater scrutiny in terms of their costs, benefits and payback periods. The environmental executive indicated that a few projects and targets had been "dialled down" or "put on the back burner" but were "still in the grand plan ... it's something that we'll come to when conditions change" (I1.2, R2). One or two projects had not gone ahead as originally planned. For example, a planned standalone ethical trading training and auditing process did not go ahead, instead a module on ethical trading was incorporated into an existing training process.

Due to the constraints on internal funding, alternative funding sources for new projects, in particular, government grants were being more actively pursued. The store development director indicated that his department had secured the first Sustainable Energy Authority Ireland (SEAI) grant for an Irish franchise company. The availability and approval of these types of grants for new projects had become a more significant consideration when projects were being evaluated. Yet, the environmental executive suggested that overall the sustainability programme was relatively unscathed by the recession:

We are now probably two years into the worst recession that anybody can remember and there is no, no sort of reduction in our approach to sustainability. We are still doing the same things, I don't mean that in a repetitive way but we're doing, our focus is as it was and we're living up to our values, we're living up to our policy, and we are putting the resources to that. (II.2, R2)

The environmental executive indicated that this resilience was inextricably tied to the belief that the programme was economically sustainable – protected by virtue of the cost savings it generated. In addition, the programme was built from the “bottom up” (II.2, R2) to deal with the environmental impacts of the business and consequently was still relevant to the company:

We've not walked away from anything. We've not said, look, let's just forget that. I think the reason that that's not happened – when we first looked at our sustainability process or developed it, we worked from the bottom up. We started with impacts, we looked at what are our impacts and how do we deal with those impacts. Those impacts haven't changed, they are exactly the same. The scale may have changed, you know, but they are exactly the same as they ever were. So because it is impact-based and the business hasn't fundamentally altered, then all these elements of our sustainability process are still relevant. And there is none of them that we would not want to focus on. So, I think that's why we are not walking away. (II.2, R2)

At the close of the study, new sustainability projects and activities continued to be trialled and rolled out throughout the Group and a new set of five-year sustainability targets was

being finalised. However, although the Group still had plenty of good news to report, the extent of the external reporting of these activities had significantly declined. The following chapter discusses the evolution of the Group's external reporting.

8.8 Chapter Summary

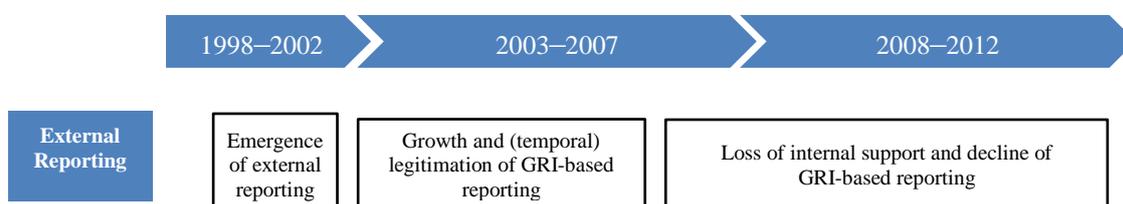
This chapter traces the emergence, evolution and embedding of the CC Group's sustainability programme from 2003 to 2012. The first section looks at the alignment of the environmental management activities with the existing CSR activities and the emergence of a concept of sustainability amongst group members that references some of the Group's OI claims. The second section looks at the evolution of the structures and policies within the process and, building on this, the third section considers the internal legitimation of the process. The final section considers the partial embedding of the process.

Chapter 9: The Emergence, Evolution and Non-Embedding of Sustainability Reporting

9.1 Introduction

This chapter, the last section of the case narrative, considers the final research question for the study: why and how did external sustainability reporting grow and subsequently decline between 2001 and 2012? This question is addressed by tracing the development and subsequent cessation of external sustainability reporting by the CC Group. The chapter draws on both the interviewees' accounts and a detailed analysis of the sustainability reports published between 2001 and 2012. In doing so, the chapter provides insight into the growth and decline of external reporting as it gained and lost internal support. Figure 9.1 represents the section of the chronology relevant to this segment of the case narrative.

Figure 9.1 Chronology of the Emergence, Evolution and Non-Embedding of External Sustainability Reporting, 1998–2012

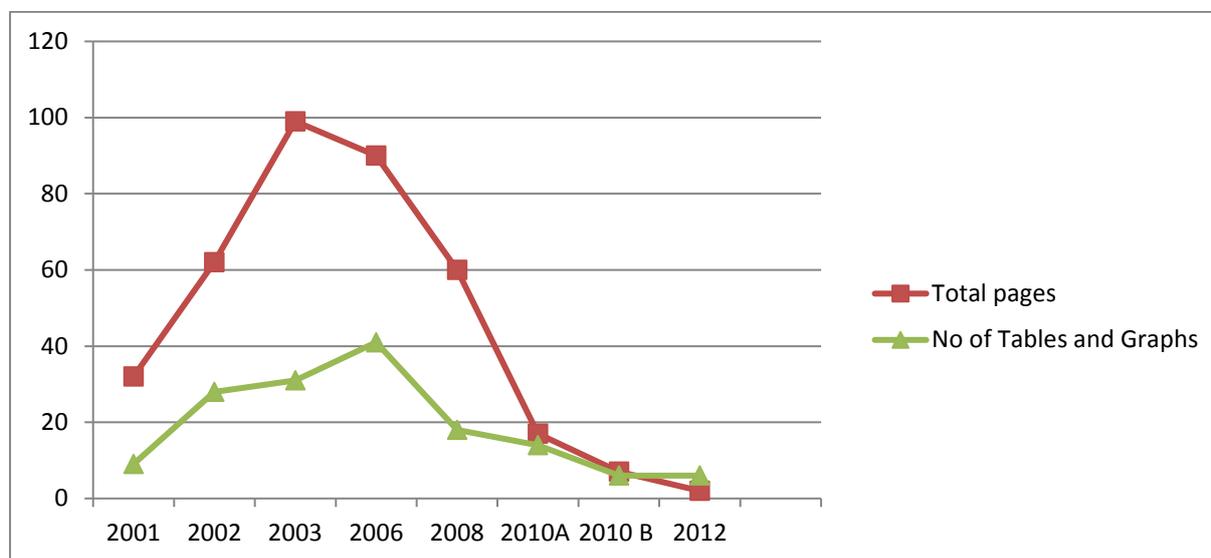


The first section of the chapter gives an overview of the Group's engagement with reporting in terms of both its extent and its nature between 2001 and 2012 and demonstrates that there was a sharp decline in the Group's GRI-based reporting from 2008 onwards. The second section draws on the interviewees' reflections on the company's motivation for external reporting and the first two external reports to consider the emergence of external reporting. The third section is focused on their reflections on the period of bigger and better reporting between 2002 and 2006. Finally, the fourth section considers their reflections on the decline of GRI-based reporting between 2008 and 2012.

9.2 Overview of Reporting 2001 to 2012

Over the period of 2001 to 2006, the environmental executive and the external consultant developed the reports using externally legitimate guidelines and independent assurance. However, from 2008 onwards, the reports became progressively less extensive to the point where the most recent report in 2012 consisted of just a two-page web-published report. Figure 9.2 below shows the rapid growth and decline in the volume of the reports. The following sections provide a brief synopsis of the extent and type of reporting for each year that a report was published.

Figure 9.2 Chart of Report Volume, Tables and Graphs, 2001 to 2012



9.2.1 2001

The first report in 2001 was seen, retrospectively, as a “fairly basic document” (I1, R1) but it contained “key environmental indicators, like waste management, tonnes per case” (I1, R1). The report does not follow any external reporting standards. It is relatively short (32 pages) and its scope is limited to the franchise division. Although it is a clear and easy-to-read document, its production is simpler than later reports (particularly 2003 and 2006). However, in its temporal and geographical context, it was a leading report that won the CC Group the first of four ACCA Ireland awards for environmental reporting. The subsequent reports were developed in line with externally legitimated reporting standards and became more extensive until 2006. The three reports produced during this period were increasingly sophisticated and extensive and conformed to external standards of best-practice reporting.

9.2.2 2002

The company's second report in 2002 was prepared in accordance with the GRI guidelines (CC Group, 2002, p. 6) and was independently audited by the CSR (corporate social responsibility) network. The report is almost double the size of the 2001 report with both the scope¹² and the extent of the report increasing. There is also a notable increase in the extent of quantitative data being disclosed to communicate the Group's progress on its environmental targets, as well as greater reporting on the company's social initiatives.

9.2.3 2003

The company's report for 2002 to 2003 (the report was changed to cover two years rather than one) was the first report after the appointment of the environmental executive in 2003. There is a notable improvement in the production quality of the report. It is a glossy, bound document with extensive use of photographs and other visual aids. The scope of the report was extended to include the Group's operations in Britain. The report is "more complete than ... previous reports, in that it contains more information about the company's environmental performance. We are confident that this report represents just over 95% of our business, based on turnover in 2003" (CC Group, 2003, p. 16). Once again, there is an increase in the amount of quantitative data being reported. The quantitative data still relates primarily to environmental indicators, but a variety of other data (such as employment, training and health and safety statistics) are also reported. The report also includes more case studies in relation to suppliers and independent retailers and four independent viewpoints.¹³

¹² There is no explicit statement on the scope in the 2001 report; however, a review of the report shows that it is focused on reporting on initiatives and policies in the franchise division's operations within the Republic of Ireland (with some mention of Northern Ireland). In the 2002 report, there is a statement on the scope of the report, which states that, the report "discloses information, except where specified, on the activities of Group companies in the Republic of Ireland and Northern Ireland" (CC Group, 2002, p.13).

¹³ The viewpoints are:

- Global Compact – UN Secretariat – Georg Kells, Executive Head of Global Compact, Office of the Secretary General, United Nations.
- Supermarkets and Sustainability – Ethical Consumer Magazine – Jenny Edwards, Researcher for the Ethical Consumer Research Association.
- Sustainability and the Grocery Retail Sector – New Economics Foundation – Petra Kjell, Researcher at NEF.

9.2.4 2006

The 2006 report is broadly on a par with the 2003 report in terms of scope, volume, content and production quality. Although the report title has changed to the *CC Group Sustainability Report*, there is little discussion of the concept of sustainability in the report. The main innovation in the report is the reporting of a stakeholder consultation process with five core stakeholder groups (shareholders, retailers, employees, suppliers and consumers).

9.2.5 2008

The 2008 report was still both externally assured and prepared in accordance with the GRI guidelines (with no change from 2006 in the self-declared GRI application score of A⁺). The report reflects the emergence of the sustainability programme within the Group and sets out its five-year sustainability strategy. However, despite this new strategy, the report volume has reduced by a third in comparison with the 2006 report. There is still clear quantitative reporting of the company's environmental performance on waste and emissions, but it is more qualitative than the previous four reports.

9.2.6 2010

The 2010 report was web-published only and is not available in the archive of reports, i.e. it is no longer publicly accessible. The report is GRI compliant, again with a self-declared application level of A⁺. However, the report is no longer externally assured. The volume of the report is the lowest of any of the reports up to that date and represents an 82% reduction in length in comparison with the peak volume report in 2003. The content of the report is reminiscent of the first reports in 2001 and 2002. The report details the company's environmental performance, progress on targets and ongoing commitments in the areas of Packaging and Waste, Logistics, Community, Carbon Management and Sustainability Retailing with little embellishment. There are no case studies or photographs. This web-based report in 2010 was the last GRI-compliant report published by the company¹⁴. Alongside the

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- The TidyTowns Competition: It's Role in Irish Government Policy – Liam Whelan, Department of Environment, Heritage and Local Government.

¹⁴ Since 2011, the company has also published an annual UN Global Compact Communication on Progress which contains some, but not all, of the information that previously would have been published in the

web-based sustainability report, the Group also published a *Sustainability Key Facts* report. This was a brief document (seven pages) which is more visual and less detailed than the web-based report for the same year. It highlights a variety of achievements by the company and includes a set of graphs reporting on six environmental performance measures at the back of the report.

9.2.7 2012

The 2012 *Sustainability Key Facts* report is a two-page, web-published document. There is a one-page qualitative overview of how the company supports communities, the environment and healthy living. Again, a set of six graphs is included. Five graphs are on the same measures as reported in 2010. The Total Carbon Footprint v. Business Activity graph has been replaced with a Group Fleet Emissions v. Distance Travelled graph. This set of six environmental measures is also reported in the 2011, 2012 and 2013 UN Global Compact Communication on Progress.

The Group also developed a sustainability website with an overview of its approach to sustainability and information on its environmental impact in the areas of emissions, packaging and waste, and logistics. The website has an archive of all of the previous reports (except the 2010 web-based report). Although the Group still makes information on its sustainability programme externally available, it has ceased producing its GRI-based reporting and the overall volume and detail of the information available has been substantially reduced. Thus, there have been significant changes in the extent and nature of the Group's engagement with external sustainability reporting between 2001 and 2012. This chapter explores the interviewees' perceptions of, and support for, external reporting over this period of growth and decline with a particular focus on the key internal participant's (the environmental executive) account. Section 9.3 starts with the interviewees' reflections on the emergence of the first report in 2001.

9.3 The Emergence of External Reporting

In 2001, the company published its first standalone environmental report for the year 2000. The company was not, and still is not, obliged by any legal requirements in Ireland to

sustainability reports. Overall, the sustainability information now being published by the Group is less detailed than the GRI reports.

produce these reports. The first environmental report was originally developed for internal purposes. The external consultant indicated that it was only published because of a request from the ACCA to submit it for their reporting awards:

Initially, the first real report, the one we call the real report, was the 2002 report, we didn't really count 2001. We only, we only really put in the 2001 one in the ACCA awards because they asked us to. It was supposed to be an internal report. They had planned to report on a biannual basis, and 2002 was their first planned report.

When the first report was published in 2001, the franchise division had already been engaged with environmental management for several years and had developed the Group's first environmental charter in 1999. The report was seen as a way of knowing "what we've done" and looking "at the work that had been done":

The next phase, I suppose, was then saying, we're doing okay, we've got a policy, we do all this work, how do we sort of correlate it, or bring it back to a point where we know what we've done and we are able to report accurately on what we have done. So that is when we did our first ... environmental report. (II, R1)

The interviewees' accounts suggest that the emergence of the external reports was part of the natural evolution of the Group's engagement with environmental issues and based on its pre-existing environmental performance.

9.3.1 Reporting as a Natural Progression

External reporting, based on the company's actions in the area, was perceived by the interviewees as part of "doing things right" and "doing the right thing." Several of the group members indicated that it was a natural progression in the development of the Group's activities in the area and in character for the Group given its openness in other areas:

So, it was seen that, like any system that you put in place, you have a policy, you have a process of work, you have some way of recording and measuring what you do, the next obvious thing is to report. The fact that the company was a fairly transparent company, because as a private company we already issue and produce financial reports even though we are not

legally required to do that. It was felt that in a similar way we should produce environmental reports. That was really, I suppose, the thinking and the reason why we began reporting. (I1, R1)

Producing an external, standalone, environmental report was part of “doing things right” for the new activities as a whole: “we then felt that the only way we could truly measure how we were performing was to communicate and to report in a transparent way” (I1, R1). The reports were also seen as part of “doing the right thing.” The early reports (2001 and 2002) include moral claims, with suggestions that the company had an “obligation to our business partners and the community” (CC Group, 2002, p. 15) to make their commitments public, communicate their progress and in doing so provide an example to other businesses:

CC Group believes that our actions for the environment must be disclosed to achieve their greatest effects. We want to provide an example to other Irish companies in the implementation of our environmental process. (CC Group, 2001, p. 24)

Group members acknowledged the potential self-interested benefits (in terms of enhancing the Group's reputation) of external reporting, however this was seen as deserved recognition based on the Group's genuine engagement and progress in the area:

I think the reporting of it is probably just seen as CC's being open in what they do and sharing the information, if you like, with the wider public at where we are currently or at any point in time. (I5, R1)

9.3.2 Reporting Based on Performance

These reports are worthless. Absolutely valueless. Like they are damaging the environment by having to dispose of them, if the original passion behind it isn't genuine. (I6, R1)

The two directors who took part in the decision to engage in environmental reporting were critical of reports without substance. They suggested that external reports were valueless if they were not connected to the company's performance in the area and were not an end in themselves:

I can remember ... even asking that question – look, we're not going to become involved in producing a report unless we're prepared to stand over

it, unless it clearly illustrates what we are doing and we're going to do into the future. And we have commitments, I remember that, you know, it wasn't a report for the sake of just producing and feeling good about it and then leaving it go on a shelf. It was going to have to have a long life. (I3, R1,)

The 2001 report positioned the Group as making a genuine effort to measure, manage and report on its environmental impacts with an emphasis on communicating the company's commitment to managing its environmental impacts, its progress to date and the challenges it was experiencing:

You will find that when you read this report, we have made every attempt to measure our performance with regards to environmental management. We have, in certain areas, experienced difficulty in quantifying our impacts as we have many issues to contend with and systems to implement within our complex business structure. I can say with confidence that our immediate challenge for managing the environment in a proper manner is to measure accurately our environmental burdens and progressive changes on a year-to-year basis, so we can report accurately for future years and enable meaningful dialogue and analysis with our stakeholders. (CC Group, 2001, p. 1)

Within the report, the Group's environmental policy and commitments, performance and indicators are set out in relation to: communications; waste management; supplies and products; buildings; and reporting. Several case studies are also used to highlight specific projects. Although the report is primarily qualitative, there are a number of quantitative indicators relating primarily to waste and energy management. The report also contains a commitment to balanced reporting and reporting metrics relative to turnover and cases delivered:¹⁵

This message won't just contain well-chosen items of which we are proud – we will also describe the areas in which we particularly fall down and where we must improve for the future. (CC Group, 2001, p. 1)

Instances of poor environmental performance in the past, both on the part of the Group's retailers and within its own operations, are also reported:

¹⁵ This makes the metrics comparable over time.

CCRPI [the franchise division] acknowledge that bad practice has previously been widespread throughout the business. We are committed to begin eliminating cases of litter offences, illegal dumping and back-of-store burning of wastes within the next two years. We will achieve this target through the implementation of regional contracts and through extensive environmental management training at CCRPI premises and at our retailers' stores. (CC Group, 2001, p. 8)

Instances of poor performance continue to be reported in 2002 and subsequent years. For example, in the 2002 report there is a new KPI section and poor or mixed performance is reported on five out of the six KPIs for the franchise division's environmental action team. Reasons for the poor level of performance and the proposed changes in the company's approach as well as difficulties in relation to retailers' waste management and poor uptake of environmental management training are also reported (CC Group, 2002, p. 4, 42, 57). As the extent of the Group's reporting grew rapidly between 2002 and 2006, so too did the need for active internal support and legitimacy for reporting.

9.4 Internal Legitimizing External Reporting 2002 to 2006

... bigger and better ... is our attitude to this. (I1, R1)

During this period of "bigger and better" reporting, externally audited, award-winning reports were compiled using the GRI framework. When the first GRI-based report was produced in 2002, the external consultant indicated that there were a lot of questions and some resistance from group members:

There were a lot of questions on why are we answering this and what's this got to do with us, because of the different way the GRI is set up. Initially, there was what's, this has nothing to do with us, why are we even saying this. And I said, well, it's a standard set of guidelines and they ask you to deal with everything. So for the first report, while we are in accordance with GRI, we didn't deal with all the issues ... So we, ahem, we dealt with all the core GRI indicators in the first one but in the second report we got through every single one of them. (I2, R1)

The 2001 and 2002 reports were primarily the remit of the external consultants. However, in 2003, the environmental executive was appointed and “the very first thing” he did was to prepare the report for that year. This report was now fully compliant with the GRI standards, independently audited and extended to include the Group’s operations in the UK. Reporting in this way was “extremely difficult” and a “huge, huge challenge” for the environmental executive and his assistant. The environmental executive indicated that the most difficult aspect was securing active internal support for the reporting process from other group members, followed by a “very, very daunting” and time-consuming independent assurance process:

The collection, analysis, validation and basically the construction of all of the data that we use to report is a huge, huge challenge ... and you’re continually haranguing and harassing people ... The other big challenge is when we come to develop the report we take the GRI indicators and .. we distribute those across the organisation. So for instance all of finance directors get the finance-type questions ... And one of the biggest problems they have is actually understanding the information that is being asked for because it’s not numerical it’s very often narrative type information they are being asked and a combination in some cases of both narrative and numerical ... And the next phase is just trying to get all of that information, that massive volume of information, and get it and get a report constructed around it. ... And then you move into the next challenging phase, final phase really, is once a draft report is produced, it’s sitting down with the auditors ... So that’s how it works. ... But it is a very, very daunting process. (I1, R1)

Although using the GRI framework was “daunting”, it was also a potential source of procedural legitimacy for reporting.

9.4.1 Seeking Procedural Legitimacy for Reporting

Several of the interviewees, involved to varying degrees in the reporting system, indicated that they viewed the system during this period as procedurally legitimate – that is, they were “doing things the right way.” In their view the reporting system followed proper procedures – in this case, the use of external standards and independent assurance along with increased

internal expertise in the area. The environmental executive indicated that reporting using the GRI-framework and AA1000 standard was a “robust system” (I1, R1) as they were internationally recognised:

We chose the GRI because it's the only real recognised international standard to which you can report to, well, not report to but construct a report to. We also work to the AA1000 standard and, and then of course you can do all of that, the final piece in the jigsaw is that you, you have it externally verified and audited and we've been using the same auditors for the last few years. (I1, R1)

The environmental executive also indicated that the external auditors were “very good because they do identify errors,” for example, they found a significant (unintentional) error in the calculation of cases sold and then “We put it right.” The environmental executive and other group members involved in the reporting system also indicated that the auditors provided advice on reporting best practice and suggestions for improvement which allowed them to develop their expertise in this area:

I suppose we've learned from our mistakes over the years in terms of the data gathering where there may have been mistakes or issues within that, and I think that we probably have a fairly robust system now that CC can stand over the information within the reports. So, I think the report has evolved all for the better. (I5, R1)

9.4.2 Seeking Consequential Legitimacy for the Reports

The interviewees' accounts also suggest that the environmental executive and the external consultant sought consequential legitimacy for the reporting system, based on the outcomes of the system – the reports themselves. Group members described the reports as “honest”, “truthful”, “substantive” and “accurate” documents, and “everybody recognises that our reports are good reports” (I1, R1). The environmental executive believed that the reports reflected the company's genuine commitment and performance in relation to sustainability: “those who do care feel that this report represents us very well. It's a clear, honest, open document and it describes this, the things that go on in the organisation and the good and the not so good things” (I1, R1). Even a senior group member, who was a vocal critic of the reports, acknowledged that they were “truthful” (I6, R1) documents:

And I read, I was flicking over some of that last night, and in actual fact it's true. It's a truthful document. It's not really exaggerated. I couldn't ring up anyone last night and say, are you bullshitting the public? And it's not, it's actually true. (I6, R1)

The environmental executive and the external consultant also sought to align the reports with the Group's most powerful stakeholders, the CC family, suggesting that the reports were positively received and supported by the family and communicated a family-approved image of the Group:

The family loved it [the report], the family loved it, and the family, almost any feedback from the family and through the family spokesperson have been extremely good and they loved it. (I2, R1)

I think the CC family are very pleased with the reports always. ... They're always extremely complimentary and they feel this is how they want to be portrayed, this is how they feel they are and this how they feel their vision of how their business should operate should be portrayed. So they generally, I would say always, are extremely complimentary and very supportive, as well you know. (I1, R1)

9.4.3 Seeking Pragmatic Legitimacy for the Reports

The environmental executive, external consultant and environmental action team leaders also provided insights into their attempts to gain pragmatic, best interest-type legitimacy for the reports. These best interest claims focused on the reputational benefits of the reports and related awards: “the reports have won ... a certain amount of awards. I think that can do nothing but good for the company's image you know” (I5, R1). The interviewees also suggested that reporting “would help to communicate what the business was about” (I4, R1) and it was “another step in terms of how CC wanted to be perceived in the wider community” (I3, R1). The environmental executive indicated that the reports were widely distributed by group members:

If you go to any meeting now, people are always handing out copies of this. So when we have meetings with banks or with insurance companies, those hosting these meetings will always say, look, here's a copy of our

sustainability report because they feel it says about us what they want people to think about us. In other words, if you're going to do business with a bank or an insurance company, the bank wants to know that you are a good risk, the insurance company want to know that you are a good risk. If they can see that the company works to this standard and reports to this particular standard, it gives them a more comfortable feeling. (I1, R1)

The external consultant also linked the reports to the success of a large acquisition and portrayed them as contributing to a positive image with lenders and the acquired company:

I think it has given them credibility that's what their, that's the main benefit that they will have seen. They have used the report ... when they were acquiring, ... franchises in the UK that they, when they were talking to the finance people, that they always sent their sustainability report along with their financial reports and they, they felt that that gave them greater and easier access to finance. Ah, ah, it gave them greater credibility in the market place as well because [the franchisees] could see, okay, this is not your common or garden company. This is a company with an ethos behind it and a set of standards and you know we're not moving, we're actually going up the value chain, our business is going up the value chain here, because it is different and better than what, than what they had been used to. (I1, R1)

9.4.4 Legitimacy Evaluations

While the environmental executive and the external consultant provided insight into the strategies used to seek internal legitimacy for the reporting system and the reports, other interviewees provided insight into the success of these strategies as they *evaluated* the pragmatic and moral value of the reports during this period. The interviews with senior members of the Group suggest that there was limited acceptance of the best interest claims being made about the reports and related awards. One senior group member indicated that progress on environmental issues was important but the awards “were worse than useless” (I6, R1):

Those awards are absolutely worse than useless for our business. They haven't added one cent of value, they've added shit loads of cost. It's nice

to go to Dublin and get your photograph in the paper. Other than that they have no value. What's important there is that we're recycling 65% of the stuff. That we have all our shops geared to be environmentally friendly. You know and that's what's important there, not awards. (I6, R1)

The (retired) CEO was less critical of the reports and indicated that the reports were distributed selectively to “key influencers” (I3, R1):

We have distributed selectively, yes, we wouldn't have sent it out carte blanche. Certainly our banks would get it, and certainly key manufacturers and key influencers, people like our auditors, as I say the banks, obviously, the Department of the Environment, yeah, we'd send it to some key influencers, yes. (I3, R1)

He suggested that the reports may have been useful in managing the company's relationship with the Department of the Environment and helping them to retain a valued sponsorship: “So, the production of the biannual environmental report and so on, not quite certain as to ... I'd be surprised if hasn't influenced in some way the Department of the Environment” (I3, R1) but also indicated that claims of this kind were subjective and difficult to evaluate:

And certainly, I think, you know, it's very difficult to evaluate to what extent banks are coloured by, you know, these kinds of initiatives and so on. But you know, when CC decided to expand into the UK we were borrowing levels of money that we had never been anywhere near in the past. So, that we were actively engaged with banks and borrowing up to half a billion at the time to do it. So, and were successful, and our British business has been very successful to date so, I think, as I say again, it's very difficult to know the extent to which banks will make a judgment call, they'll make a judgment call on your ability to run a business but I think these kinds of things in the background are no harm, either. (I3, R1)

By 2006, the environmental executive and external consultant, on the advice of the external auditors, were exploring ways in which they could reduce the scale of the reports. A stakeholder consultation, disclosed in the 2006 report, was carried out to ascertain what information was important to the Group's stakeholders. Having carried out the consultation, the environmental executive initially was reluctant to change the reporting procedures. He

indicated that this was because he wanted the reports to be “bigger and better” each year and to continue to win the ACCA awards but also because he did not want to be “telling nice little good news stories without having the robustness behind that” (I1, R1).

I'm not for dumbing down the report. I'm not for going away from the GRI, because I think the GRI, the one great thing that it does is it keeps you straight, it stops you from swaying towards telling a nice story and being afraid to show what your failings are. And there are too many CSR reports out there written as very glossy, aren't we great, type documents. And I think what that does is it devalues the good stuff, you know. So, it is, it is a challenge, there is no doubt about it, that we now, now have to really think laterally on this and decide how are we going to capture the benefits for this opposite consumers. (I1, R1)

9.4.5 The Environment Executive's Legitimacy Evaluations

Despite the environmental executive's professed reluctance to move away from GRI-based reporting, he was re-evaluating the legitimacy of this “accurate, technical” but “very expensive document when you take into account things, the audit, the use of consultants' time in, in drafting process, printing, all of that you know, it costs huge money” (I1, R1). He discussed at length his concerns about reporting, and indicated that it was at a “crossroads” (I1, R1) with the purpose and method of reporting coming under increasing internal scrutiny:

I definitely feel that we are at a crossroads in terms of reporting and whether, whether our next report will be like this or whether it will be more consumer friendly, that debate is happening internally at the moment. So we'll see. (I1, R1)

The environmental executive was reflecting in particular on the audience for the reports:

You have to ask yourself again and again, why are we reporting? And if we know why we are reporting, to whom we are reporting? And in what way we should be presenting the information? (I1, R1)

He suggested that the GRI-based reports had at most a limited audience of CSR practitioners and academics:

Who genuinely reads this kind of report? I think that there is a danger, of course, that you write reports for academics and you satisfy a very, very small bunch of elite people, similarly that you can write reports for professionals and you satisfy again a group of elite people. (I1, R1)

The external consultant also indicated that the reports had not found any external audience; they had met a “wall of silence” (I2, R1). More specifically, the reports had failed to find a valued external audience. The interviewees’ accounts of the Group’s original motivations for engaging with external reporting did not feature any significant discussions of consumer recognition or marketing advantages. However, as other companies in the industry engaged in the area, the issue of consumer communication had emerged. The environmental executive suggested that the Group’s competitors were generating publicity with superficial policies and activities, whereas the CC Group was not getting consumer recognition for its more genuine efforts:

And I think it’s particularly so on the retail side because there is that recognition out there that maybe we’ve allowed our competitors to paint themselves more green than they used to be kind of thing and at our expense. (I1, R1)

This was an issue the environmental executive returned to many times during our conversation in 2007:

We’ve kind of sat back, that’s maybe the wrong expression, but we’ve not, we’ve always been so far ahead we’ve not really had to look over our shoulders, we’ve just continued on doing things the way we do, confident in the knowledge that we were doing the right thing. What we see now is that people are gaining ground very, very rapidly and not only are they gaining ground, they’re learning how to communicate much, much better than perhaps we are. So we need to make sure that we don’t end up falling behind. (I1, R1)

9.4.5.1 Questioning the Structural Legitimacy of GRI-based Reporting

The environmental executive indicated that GRI-based reporting was at the heart of this failure to communicate with consumers:

We're challenging ourselves, we're saying, okay we produce these expensive, accurate, technical documents, but do they really make a blind bit of difference to the average person in the street? Certainly as a person who is a practitioner of CSR, and looks more at, looks for technical accuracy will read this and say, yeah, it has everything, it ticks all the boxes. But, you know, our aim is to communicate, but are we communicating effectively? (I1, R1)

The environmental executive believed that they had failed to communicate the Group's sustainability performance to consumers because the GRI-based system wasn't *right* for *this* job (structurally legitimate). He suggested that although reporting using the GRI framework was part of *doing things the right way* it was proving to be a procedurally robust but structurally flawed system:

I think that's perhaps a flaw with the GRI even though it's a robust system and we are very much wedded to it ... you would have to ask the question is, well why, what does the GRI really, what's its real aim, what's it trying to achieve? ... is it trying to publicise the CSR credentials of a particular company? ... it probably fails somewhat because the way in which it's constructed, if people within business have difficulty understanding what some of the GRI indicators really mean. The way they're phrased, what chance has the average consumer?

The environmental executive also perceived the GRI guidelines "as actually becoming more and more unwieldy" (I1, R1). In addition, with the increased activity within the sustainability programme, he was now "spread very, very thinly across the organisation and covering very, very different areas, engineering-type areas, and then the softer areas, technical, non-technical, but just the whole range of different things across the organisation." However, at the end of our conversation he was "still firmly believing" that he would continue to report using the GRI guidelines and create something in addition that was targeted at consumers. Despite this professed commitment to GRI-based reporting, it was only another two years before this form of reporting ceased.

9.5 Losing Internal Support 2008 to 2012

The interviewees' accounts suggest that internal support for GRI-based reporting faded quickly during this period. Many of the interviewees admitted that they themselves did not read the GRI-based reports. However, the environmental executive continued with GRI-based reporting for the 2008 and 2010 reports. Although the reports were still “sticking to the GRI framework” (I1.2, R2), the technical information had been consigned to the back of the reports. He had also tried to “de-jargonise” the reports and make them more accessible to people who were not technically knowledgeable about the area. Even with these changes, he indicated that the printed reports (produced every two years) were too static and that feedback on the reports continued to be disappointing:

I have found over the years with sustainability reporting is that it can be very static ... The problem with that is, if we opened the most efficient store in the country tomorrow, the most energy efficient store or we do something that is the most cutting edge, it will be two years before we can talk about it. It will be two years before we can really publicise that and open up debate and discussion about that. What we feel is that we need some sort of a current or real-time or near real-time mechanism to communicate with stakeholders. (I1.2, R2)

The environmental executive was not alone in his commitment to maintaining some type of external reporting. The (current) CEO also indicated that external reporting was part of being “honest” (I11, R2) about what the Group was doing and perceived companies that did not report in line with a recognised framework as being more prone to “greenwash” and making commitments that they did not meet:

The reporting at least gives us validity, particularly in the public world, to say that we're doing it with sincerity and it's driving us in the right way. (I11, R2)

However, it now “seemed nuts” to the CEO that a “lot of money” had been spent on the stakeholder consultation in 2006 and that the GRI-based report was still too big, too hard to read and reached a very limited audience. They suggested that this type of reporting was onerous and of questionable value:

I do come back to the point that the reporting, the kind of framework reporting wouldn't get really much airplay and poor old X [the environmental executive] has to pick that up because it's onerous and it's, and actually people – probably myself included – would question the value of it at times because it becomes a bit of a noose round people's necks. (I11, R2)

The environmental executive was considering other ways of communicating about sustainability and the Group's engagement with sustainability including a personal sustainability blog and short video updates on the Group's progress. However, he was "slightly nervous, I'm being very cautious about it because what I don't want to happen is that it becomes a millstone around my neck or a beast that drags me down." He wanted to keep control of the blog and not "end up regretting that you ever got into it". The environmental executive also indicated that he continued to try to gain a valued audience, in the form of consumers, for sustainability-related communications but was now focused on more subtle messages:

We have had to in some way become more subtle in the way we communicate with our consumers around sustainability ... we have begun to say things like promoting seasonality. So instead of talking about food miles, let's talk about seasonality ... Seasonal vegetables obviously have a much lower carbon footprint than imported or out-of-season vegetables. So a lot of our communications are much more subtle so that the consumer is absorbing sustainability and not necessarily realising it. (I1.2, R2)

However, the environmental executive indicated but he now believed that a low level of external communication on the Group's sustainability performance was actually more in line with the CC Group's character and behaviour:

CC Group tends to be an understated company. We tend not to get up there and blow our own trumpet contrary to what it might sound like in this interview. But we're not really out there as much as we could be. So we tend to just sort of "Yes, okay fine. We're going to do what we do in our way." (I1.2, R2)

In summary, despite the Group's ongoing development of its sustainability programme and having a "very, very good story to tell over the years and a genuine story to tell", external GRI-based reporting did not gain enough internal legitimacy to sustain the level of active internal support needed for it to continue. The legitimation strategies for external reporting drew primarily on external standards, experts and best interest claims with few substantive links to the Group's set of identity claims. Arguably, this inhibited the embedding of the reporting activity and contributed to its decline and eventual termination. The case discussion in the following chapter analyses the successful legitimation of the environmental management and accounting system and the sustainability programme and the failed legitimation of the external reporting.

9.6 Chapter Summary

This chapter discusses the emergence and evolution of the CC Group's external sustainability reporting over an extended time frame (2001 to 2012). The chapter is divided into four sections. The first section provides an overview of the growth and decline in the extent of the Group's GRI-based reporting between 2001 and 2012. The second section discusses the emergence of the external reporting, highlighting that the reports emerged as part of the "natural" development of the Group's engagement with environmental issues and were perceived as a by-product rather than a primary output of this engagement. The third section provides insight into the (partial) legitimation of and internal support for external reporting between 2001 and 2006. The fourth section considers the participants' (re)evaluation of the legitimacy of GRI-based reporting and the decline in internal support for this form of reporting between 2008 and 2012.

Chapter 10: Summary and Discussion

10.1 Introduction

The purpose of this chapter is to summarise and discuss the emergence, evolution and (partial) embedding of a sustainability programme and sustainability reporting within the family-owned CC Group. The chapter is divided into two sections. The first section reintroduces the research questions for the study and uses the model introduced in Chapter Four (re-presented as Figure 10.1, p.155) to explain how the case narrative in Chapters Six to Nine addressed these research questions. The second section discusses the theoretical implications of the thesis.

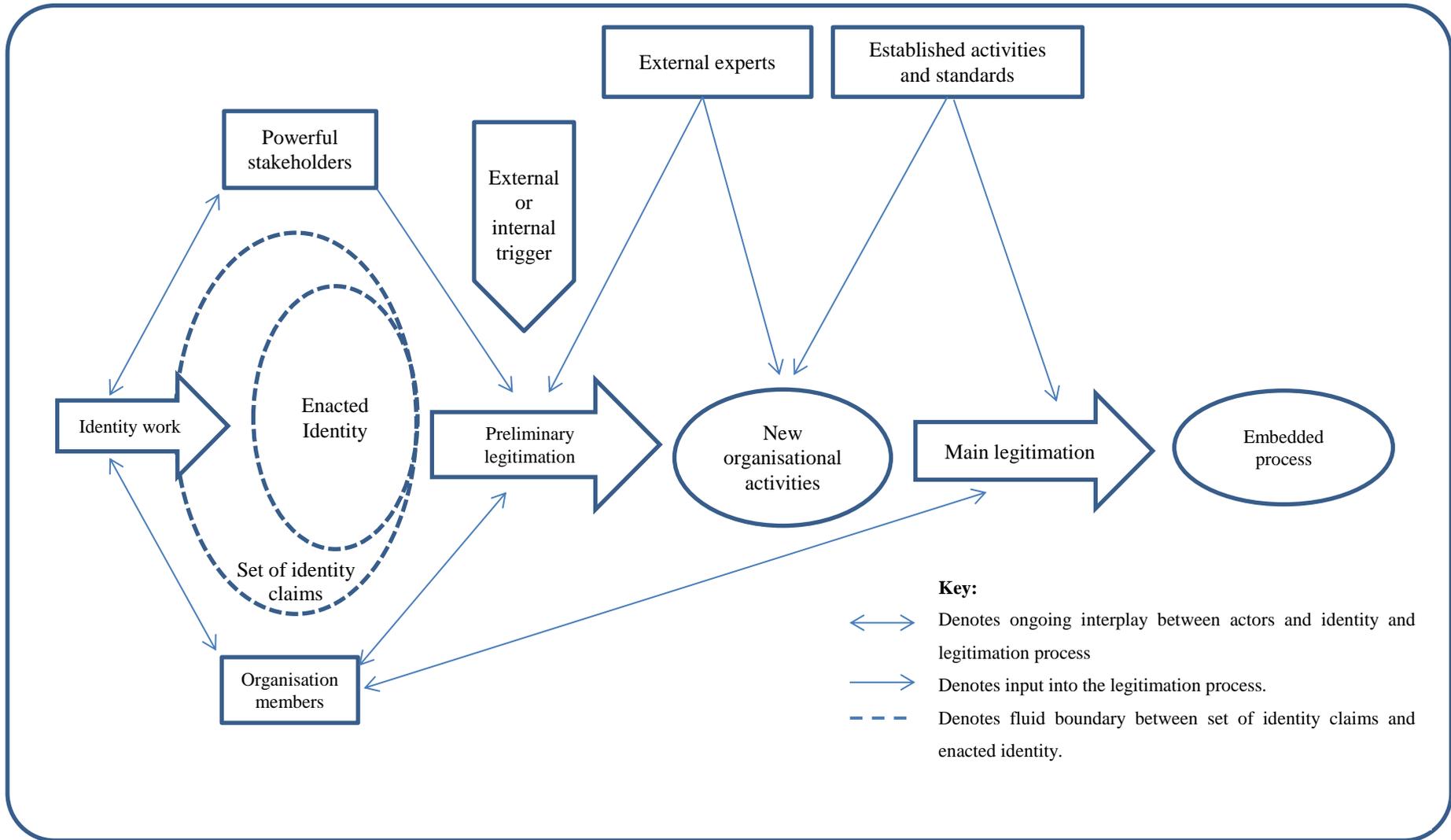
10.2 Case Discussion

The case narrative presented in Chapters Six to Nine sought to address the following questions related to the CC Group:

1. Why and how did an environmental management system emerge and evolve between 1998 and 2003? (Chapter Seven)
2. Why and how did a sustainability programme evolve and embed between 2003 and 2012? (Chapter Eight)
3. Why and how did external sustainability reporting grow and subsequently decline between 2001 and 2012? (Chapter Nine)

The starting point for the case narrative is Chapter Six, which uses the lens of OI (organisational identity) to examine the specific organisational context in which the new environmental management and accounting systems and later the sustainability programme emerged and evolved. Chapter Seven is then focused on answering the first research question. This chapter traces the emergence of the environmental management and accounting systems from the initial triggering event through the preliminary and main legitimisation of the activities to their (partial) embedding within the Group. The second research question is addressed in Chapter Eight. This chapter traces the evolution of the sustainability programme from the initial alignment of the environmental management systems and CSR (corporate social responsibility) activities through to the embedding of the programme. Finally, Chapter

Figure 10.1 Embedding a New (Sustainability) Programme



Nine addresses the third research question by tracing the emergence of GRI- based reporting, the initial growth in the extent of the Group's reporting, and the subsequent decline in internal support for this type of reporting as the sustainability programme became embedded.

10.2.1 Identity Claims, Enacted Identity and Identity Work

Chapter Six is concerned with the left-hand side of Figure 10.1 (p.155). It provides an analysis of the CC Group's set of identity claims, enacted identity and accompanying identity work. In the case of the CC Group, the identity claims made by the interviewees in the study included claims about the Group's owners, values, business model and decision making. This reservoir or set of identity claims was maintained by the group members' identity work, in particular the senior executives and the family directors. Identity work is concerned with the ongoing maintenance, reconstruction or regulation of OI in mature organisations. Identity work at the CC Group involved explicit identity talk, which reproduced valued if arguably idealised OI claims; implicit identity talk, which provided accounts of what had happened and why; and actions, such as *restricting* interaction between group and family members, commissioning a company history and creating a company archive. This aspect of the interviewees' identity work helped to maintain their perceptions of the centrality and continuity of the Group's set of identity claims.

This chapter also considers the Group's enacted identity, whereby group members focus to varying degrees on different OI claims depending on the situation or audience involved. The narrative demonstrates that this enacted identity varied over time (as the economic environment changed) and with the audience involved (franchisees, suppliers, owners or employees). The narrative also demonstrates that as the interviewees discussed the Group's enacted identity they were again engaging in identity work, primarily in the form of implicit identity talk ("We supported retailers because it is the right thing to do"), although different OI claims were referenced depending on the audience (for example, values were emphasised in the interviewees' accounts of interactions with family members whereas, unsurprisingly, commercial characteristics were referenced in interactions with suppliers). Taken collectively, these aspects of the interviewees' identity work served to maintain their perceptions of the salience or relevance of the Group's full set of OI claims to its enacted

identity. After analysing the Group's OI, the narrative then moves in Chapter Seven to a discussion of the emergence of the environmental management and accounting systems.

10.2.2 External Trigger and Preliminary Legitimation

Chapter Seven is concerned with the mid-section of Figure 10.1 (p.155) from the preliminary to the main legitimation of the new organisational activities. It discusses how and why these activities – environmental management and environmental accounting – emerged and evolved between 1998 and 2007. It identifies the external changes, in the form of new waste legislation, that triggered the directors' consideration of environmental issues and discusses the internal response to those pressures. It demonstrates that the poor or non-existent waste management activities in place at the time were evaluated by senior members of the Group as being "counterproductive" (I3, R1) and inconsistent with the Group's OI claims. It also examines the preliminary legitimation of the proposed activities. During this preliminary legitimation stage, the proposed environmental management activities were evaluated as comprehensible by the Group's directors, including the CC family directors: "*they (the board) just said, yes, yes, why aren't we doing this already? It makes sense, you know, and off we go*" (I2, R1). The directors could construct a plausible explanation for the Group's engagement with these activities by drawing on the Group's set of OI claims. Thus, the narrative lends empirical support to the argument that OI claims are *what* allow a new organisational process to make sense (Dutton and Dukerich, 1991; Gioia and Chittipeddi, 1991; Gioia and Thomas, 1996; Bridwell-Mitchell and Mezias, 2012) to organisational members and can be employed to establish plausible explanations for the existence of new activities and their outcomes. Section 7.3 of the chapter also provides insight into *how* OI claims are used by organisational members engaged in legitimation work. The narrative demonstrates that senior members of the Group engaged in explicit identity talk (describing the Group using its OI claims and enacted identity) and implicit identity talk (attributing a cause to the introduction of the environmental management system) when discussing the emergence of the new activities. It demonstrates that the interviewees' identity talk overlapped with their legitimation work as they created accounts of the emergence of the new activities which made the new activities comprehensible by linking them to the Group's OI (set of OI claims and enacted identity) and also confirmed the continuity of this OI and its relevance to the proposed activities.

10.2.3 New Organisational Activities

The preliminary legitimization of the activities at board level led to the establishment of an environmental action team in the franchise division (the largest of the Group's divisions), the introduction of new waste and energy management activities within that division, and some environmental projects with the division's suppliers and franchisees. However, the case narrative demonstrates that, despite the preliminary legitimization of the activities, they still suffered from a liability of newness (Aldrich and Fiol, 1994) with board members trying to "understand where it was all going" and active support at an operational level not forthcoming for several years. When the first environmental action team was established "nobody" wanted to get involved. The first team leader had a "passion" for environmental issues and played a key role in "driving" the early activities which, taken along with the role played by the external consultant and later the environmental executive, supports the importance ascribed by Bouten and Hoozée (2013) and Contrafatto (2014) to individual organisational actors in establishing new environmental activities. In addition, the case narrative provides insight into the *nature* of the roles played by the key participants (the external consultant and the environmental executive) in seeking legitimacy from internal audiences and powerful stakeholders and in (re)selecting which activities to actively support themselves.

10.2.4 Main Legitimation

The external consultant was the main actor in gaining board approval for engaging with the proposed activities and subsequently designing and managing the first waste and energy management systems, the environmental policy and the environmental management accounting system. Appointing the external consultant co-opted not just a supportive audience for the activities but an active participant who, given his expert status, was credible to both internal audiences and the family owners. However, he had limited success in gaining widespread active internal support for the environmental management system and he, rather than the group members, remained responsible for the activities. The main legitimization and embedding of the new activities started with the appointment of the environmental executive, an active internal participant in the process who was accountable to the group board for the development of the environmental management system. The environmental executive employed a range of strategies aimed at establishing, primarily, the moral and pragmatic legitimacy of the environmental management system and securing widespread active internal

support from the Group's key constituents (directors, managers, staff, owners, franchisees and to a lesser extent suppliers).

10.2.5 Building Legitimacy with Managers and Retailers

The environmental executive built his personal credibility with the Group's managers and directors by emphasising his "business approach" to the process. Along with the environmental action team leaders and the external consultant, he sought to establish the pragmatic (exchange type) legitimacy of the activities with managers and retailers by accounting for, and highlighting, the cost savings associated with the environmental management system. Environmental management accounting was an integral part of the environmental management system. The waste and energy management activities generated cost savings that were measured and monitored by environmental management accounting and provided a vital source of shared pragmatic legitimacy. The cost savings met the self-interested needs of individual managers and retailers but also provided an opportunity to affirm the comprehensibility of the activities; it made sense for the Group to be involved in these activities if they generated cost savings while also reducing its environmental impact. Monitoring waste and energy performance through environmental management accounting was credited by the interviewees with changing how the warehouses, offices and stores were operated. Accounting for these impacts made environmental considerations more visible in day-to-day activities and decision making within the Group and facilitated further performance improvements. In addition to this, project specific, environmental accounting appraisals were used to justify new activities and environmental investment decisions for buildings, equipment, store design, construction and fitting. Later as the sustainability programme emerged, the accompanying development of environmental management accounting helped to integrate the sustainability programme into the existing management (divisional boards) and reporting structures. This provided both the sustainability programme and the accounting activities with procedural legitimacy, coupled with personal legitimacy derived from the involvement of the CEO.

10.2.6 Building Legitimacy with Employees

Building pragmatic legitimacy for the environmental management system did not, however, secure the active support of the Group's (non-management) employees. In this respect, external factors, in the form of a rise in public awareness of environmental issues, were seen

by the environmental executive as providing an opportunity to align the system with the broader societally based values of the Group's employees. This was perceived as providing the activities with some moral (doing the right thing) legitimacy with the Group's staff, prompting their active engagement with the day-to-day environmental management activities. The environmental executive's positioning within the company, as a senior executive reporting directly to the group board, also helped to establish his personal legitimacy and signalled that the group board had made a substantive commitment to environmental management. The environmental executive established new policies for the activities and extended the environmental action team structure to the Northern Ireland and UK divisions. This provided him with some coercive power, when employees perceived (or were reminded) that the activities' policies, structures and key personnel were supported by senior managers and directors. These developments also contributed to the cognitive legitimacy of the environmental management system at local level. The system became not just an acceptable, but an expected part of how the business was going to operate.

10.2.7 Building Legitimacy with the Family Directors

Chapter Seven also provides insight into the role of the family owners in the preliminary legitimization of the environmental management system. The family directors, although not actively involved in the system or later the sustainability programme, provided support at key points in the emergence and development of the activities and the programme. They supported the initial board decision to implement the environmental management system: "it was the family (that) pushed it originally through the board" (I2, R1). The family directors also supported large environmental management investments, encouraged key personnel and provided positive feedback on new projects and the external reports:

It is just being aware of the importance of it and also encouraging people. People might say, "Why are we doing all this" and as a family member you have got to remember that you have to give out the right signals. So, if X [the environmental executive] produced something I would certainly go down and encourage X. (I7, R2)

The narrative demonstrates that the interviewed family director engaged in implicit and explicit identity talk when discussing his motivations for supporting the environmental activities and later the sustainability programme. This talk was similar to that of the CEO and

divisional director during the preliminary legitimation stage, but with a particular emphasis on the past enacted identity of the Group and the behaviour of the founders and other historical family members. The approval of the CC family directors provided the activities with personal legitimacy through association with the Group's most powerful and influential stakeholders. However, arguably, the most important aspect of gaining this personal legitimacy was that it informed the environmental executive's own legitimacy evaluation of the activities and helped to establish and maintain their commitment to the environmental management system and later the sustainability programme. Both the environmental executive and the external consultant perceived the CC family as broadly approving and supportive of the process and believed that they were "very, very proud of the sustainability programme" (I1.2, R2). The environmental executive believed that the process was aligned with the family's values ("They also see it as a continuation of their own values or an extension of their own values" – I1.2, R2) and their expectations regarding the operation, identity and reputation of the company ("They're always extremely complimentary and they feel this is how they want to be portrayed, this is how they feel they are and this is how they feel their vision of how their business should operate, should be portrayed" – I1, R1). By examining the family directors' role in the emergence of the environmental management system and the sustainability programme, this study provides evidence to support Ruef and Scott's (1998) suggestion that not all constituents' assessments of legitimacy are of equal importance, with some being more salient than others. The family directors were willingly co-opted into the internal legitimation process for the environmental management system and the sustainability programme. In contrast, support from other economically powerful stakeholders (franchisees and suppliers) was less forthcoming. Although this lack of support did hamper the embedding of the environmental management system throughout the company's supply chain, it did not hinder the internal legitimation of the system.

The case narrative (Section 7.7) demonstrates that the embedding of the environmental management system progressed in tandem with its internal legitimation, and by 2007 the system was embedded, albeit imperfectly, within the Group. The personnel involved in the environmental management system, in particular the environmental executive, had the confidence of, and regular interaction with, other departments and managers, group and divisional directors and family shareholders. The activities had developed both depth, in terms of manifesting themselves across the Group's core activities (including logistics,

warehousing and store operations, internal audit and performance management), and span, as the Group sought to extend the environmental management system into its supply chain and in particular into its franchisees' businesses. The procedures and policies for the process had been developed and environmental considerations were affecting decisions on infrastructure and procurement. It did not happen "with everything" but there had "definitely been a sea change in terms of attitude towards environmental and corporate responsibility issues" (I5, R1). As the environmental management system embedded, it was aligned with the company's existing CSR activities and the sustainability programme began to emerge.

10.2.8 Embedding the Sustainability Programme

Chapter Eight deals with the right hand-side of Figure 10.1 (p.155). It considers the emergence, evolution and partial embedding of the sustainability programme between 2003 and 2012. Section 8.3 considers the emergence of a concept of sustainability within the Group at the start of this period. This indigenous conception of sustainability referenced the Group's OI claims as it incorporated an emphasis on communities and prioritised long-term sustainable wealth over short-term financial gain. It also positioned sustainability as part of being a "well managed" (I7, R2), "good business" (CC Group, 2008 p. 1).

During this period, the legitimisation of the programme continued and the environmental executive (retitled the group sustainability executive) remained as the key participant in the process. He was "pushing on the [sustainability] agenda, it became part of the [management] process ... it moved from nice to have to a must have. It was part of that whole agenda." At this stage in the evolution of the sustainability programme active support was needed from the Group's senior managers, in particular the divisional directors. The review of the sustainability programme in 2007 was motivated by the environmental executive's desire to embed the sustainability programme into the strategic decision-making process at divisional and group board level. The existing structures (an environmental action team within each division) were now evaluated by the environmental executive, the CEO and team leaders as *not right* for this job; they had "run their course" and "done all they could do". A new structure was put in place that included a five-year plan, targets, internal policies and KPIs. The divisional environmental action teams were replaced with divisional board level sustainability champions. This aspect of the evolution of the sustainability programme was viewed by the interviewees as having pragmatically legitimated the process with the Group's divisional directors and secured their active support.

The case narrative in Section 8.6 explores the emergence of collective legitimating beliefs about the sustainability programme's pragmatic and moral value and its comprehensibility. In constructing these legitimating beliefs, the interviewees' legitimation and identity work overlapped. They implicitly and explicitly linked the sustainability programme to the Group's set of OI claims: family-owned, value driven, community-based and commercially astute, and indicated that the new programme was now part of enacting these claims. In this way they confirmed the internal legitimacy of the programme, the continuity and salience of the Group's OI and incorporated new shared material into their identity talk.

The narrative (Section 8.7) then demonstrates that at the close of the study the sustainability programme was (imperfectly) embedded within the Group. Sustainability considerations were part of the decision-making processes within the business from the board level down. Policies, targets, performance measurement and incentives were in place for the process. The environmental management system and CSR activities received active support from group members at all levels of the organisation. The company's continual efforts to extend the span of its environmental management system into the franchisee network had led to improved environmental performance for most retailers and proactive engagement for some. There was also an acknowledgement that this embedding was imperfect, limited by the fundamentally economic nature of the business, and available resources and technology. Yet the programme and its constituent activities were sufficiently legitimated and embedded that they were perceived as being resilient to an external economic shock. One element of the sustainability programme, external reporting, however, followed a different path. As active internal support for the sustainability programme grew, internal support for sustainability reporting declined. Section 10.3 analyses the emergence and evolution of the Group's sustainability reporting.

10.3 External Reporting

Chapter Nine traces the emergence and evolution of the CC Group's external sustainability reporting. The first section of the chapter starts with an overview of the growth and decline in the external GRI-based reporting between 2001 and 2012. The growth period is between 2001 and 2006. During this period of "bigger and better" reporting, the company published progressively more extensive reports. The extent of the GRI-based reports declined rapidly between 2007 and 2012, leading to the cessation of GRI-based reporting in 2012. The aim of the remainder of the case narrative is to explore the changing internal dynamics around

external reporting that underlie this growth and decline, starting with a discussion of the emergence of external reporting in Section 9.3.

The emergence of external environmental reporting was led by the external consultant and prompted by an invitation from ACCA Ireland to submit a report (originally envisioned as an internal report) to their reporting awards. External reporting was the “right thing to do” and part of “doing things the right way” with reference to *external* norms for engaging with environmental issues. External reporting was also viewed by the interviewees as comprehensible in that it was a natural (logical and expected) (Contrafatto, 2014) consequence of the Group being “actively involved” with environmental management. This lends support to the argument advanced by Bebbington et al. (2009), Contrafatto (2014) and Lodhia and Jacobs (2013) that, along with external demands or prompts, internal dynamics have a role to play in the emergence of sustainability-related reporting. However, in contrast to Contrafatto’s study, external reporting was neither the primary output nor the primary medium (Contrafatto, 2014, p. 16) of the process of engaging with social and environmental responsibility. External reporting was seen as secondary to the actual activities in which the group was engaged. The company had a long history of socially responsible behaviour, and the new environmental management system and the environmental action team structure had been initiated in its largest division several years prior to the publication of its first report. The preliminary legitimation of the environmental management system included legitimating identity work by senior group members that helped to establish the comprehensibility of the activities by creating cognitive links between the activities and the Group’s OI. This type of work was not evident in the emergence of external reporting, rather, it was seen as a by-product of the Group’s engagement with environmental management.

The external reports reflected the company’s environmental and later CSR performance and activities using data provided by the environmental management accounting system. The purpose of the external reports was to accurately report the Group’s social and environmental performance. The reports reflected “the things that go on in the organisation and the good and the not so good things” (I1, R1). The company’s reporting of its improving environmental performance during the period 2001 to 2006 included extensive disclosures of quantifiable and comparable performance indicators. This lends further support to the argument that corporate reporting on environmental performance is not solely motivated by an organisation’s pursuit of external legitimacy and accords with Clarkson et al.’s (2008)

argument that those organisations that can demonstrate verifiable environmental performance will seek to do so through the disclosure of quantifiable performance data.

10.3.1 Seeking Legitimacy for the External Reports

Section 9.4 also provides insight into the internal legitimation of the reports, an area that is under-researched particularly with regard to longitudinal studies (Contrafatto, 2014). The narrative demonstrates that the initial strategies employed by the environmental executive and the external consultant to internally legitimate the reporting activities were focused on establishing their procedural, consequential and best-interest type legitimacy. Procedural legitimacy was sought by using an external reporting standard and independent assurance to demonstrate that the reports were prepared in the right way. Consequential legitimacy was sought by positioning the reports as morally valuable and desirable; the reports (the outcomes of the reporting activities) were described as “honest”, “truthful”, “substantive”, “accurate” and “loved” by the CC family. Unlike the environmental management system, GRI-based reporting lacked concrete pragmatic benefits, thus, the environmental executive and the external consultant sought pragmatic, best-interest type legitimacy by highlighting the reputational benefits of the reports. However, the longitudinal nature of the study reveals that these strategies resulted in a temporal and weak state of internal legitimacy for external reporting, rather than the institutionalisation of reporting found by Contrafatto’s (2014) study. Powerful members of the Group rejected these best-interest claims. The reports were viewed by senior group members as at best providing some (subjective) PR type benefits and at worst as “valueless” and “useless” in their own right (separate from the environmental management system or the sustainability programme). This failure to gain support from senior members of the Group meant that external reporting became wholly dependent on the continued active support of the environmental executive.

10.3.2 Re-Evaluating the Legitimacy of the External Reports

The case narrative reveals that following the failure to gain internal legitimacy for the reports, the environmental executive considered seeking a supportive external audience for the reports. Arguably, the stakeholder consultation carried out for the 2006 report was part of an attempt to identify a supportive external audience for the reports. In particular, the environmental executive seemed to be giving considerable thought to the issue of communicating with consumers. However, it became apparent that no supportive external

audience existed for the reports; they met a “wall of silence”. The case narrative highlights the role of the environmental executive’s own legitimacy evaluations at this point as he questioned both the method of reporting (GRI-based) and the aim of the reporting. The environmental executive came to view the reports as lacking structural legitimacy; they were not “right for the job” (Suchman, 1995) of communicating with the external world and failed to generate concrete pragmatic benefits (by gaining consumer recognition for the Group’s environmental performance). Over time, he came to believe that even the aim of communicating the Group’s sustainability performance to an external audience was questionable given the Group’s “humble” and “low-key” character.

The case narrative also demonstrates that as the reporting system became more extensive and onerous, it required more and more active internal support from the environmental executive. Following the GRI standards and having the reports externally assured was a potential source of procedural legitimacy for the activity, but it also placed considerable demands on his time. The decline in CC Group’s GRI-based reporting coincides with the embedding of the environmental management system and the emergence of the sustainability programme. Establishing the new structures for the sustainability programme and continuing to support the embedding of the environmental management system throughout the span of the Group’s operations also required considerable active support from the environmental executive. The emerging sustainability programme and external reporting were competing for the scarce resource of the environmental executive’s time, forcing him to choose between actually supporting the Group’s sustainability activities or reporting externally on those activities. Thus, in contrast with Contrafatto’s (2014, p. 429) findings that a favourable institutional environment can contribute to the institutionalisation of social and environmental reporting (as the reporting activities can rely on an institutionalised notion of social and environmental responsibility providing a stable and secure basis), this study found that a progressively more favourable institutional environment, incorporating not just an indigenous concept of sustainability but also structures and activities to engage with this concept, can contribute to the demise of external reporting.

Ultimately, GRI-based reporting ceased in 2012 as the activity had insufficient internal legitimacy to maintain the environmental executive’s commitment to this form of reporting. The cessation of GRI-based reporting had little impact on the evolution of the sustainability programme. The failed legitimation of the reporting activities was distinct from the

successful legitimization of the environmental management system and the sustainability programme. Table 10.1 (p.168) provides a summary of the motivation, legitimization and perceived embedding of the environmental management and accounting systems, the sustainability programme and external reporting. Section 10.4 moves to the consideration of the policy implications of the study, followed by a discussion of the theoretical contributions of the study in Section 10.5.

10.4 Policy Implications

This study lends support to Belal and Owen's (2015, p.1187) assertion that there is a "danger in putting blanket trust in voluntary reporting initiatives" as organisations have the discretion to cease reporting at any time. In Belal and Owen's (2015) study, the case organisation ceased reporting when this was perceived as going against the fundamental economic interests of the organisation. The present study demonstrates that forms of voluntary reporting can cease even when the organisation has "good news" to report and there is no conflict between reporting and the fundamental economic interests of the organisation. This is particularly salient given the forthcoming introduction of the EU's Non-Financial Reporting Directive 2014/95/EU at member state level. The directive concerns the disclosure of social, environmental and human rights information and related KPIs by large public interest entities (e.g. listed companies, credit institutions and insurance undertakings). However, the guidelines for reporting under the directive will be "non-binding". This may mean that companies will still have significant levels of discretion over what non-financial information they disclose and potentially can choose not to disclose or cease disclosing information at will.

Table 10.1 Summary of Case Analysis

	Environmental Management System	Sustainability programme	External Reporting
Trigger(s)	<ul style="list-style-type: none"> • Increased waste legislation • Recognition of issue as relevant to the Group 	Alignment of the CSR activities and the environmental management system	<ul style="list-style-type: none"> • External consultant's suggestion • Request from the ACCA to submit report to reporting awards
Basis of preliminary legitimisation	Legitimising identity work linking the proposed practices to the Group's OI		<ul style="list-style-type: none"> • Perceived as a natural by-product of the environmental management system • Perceived as conforming to external norms for engaging with environmental issues
Main legitimisation: Types and sub-types of legitimacy being sought and evaluated	Cognitive: comprehensibility Pragmatic: exchange Moral: procedural and consequential	Pragmatic: exchange Cognitive: comprehensibility	Pragmatic: exchange Moral: procedural and consequential
Main legitimisation strategies	<i>Conform:</i> <ul style="list-style-type: none"> • Conform to the economic requirements of managers and retailers • Conform to the moral requirements of staff • Embed new practices and structures within the Group's existing structures <i>Select:</i> <ul style="list-style-type: none"> • Identify and attract key audience (CC family) whose moral values accord with the practices 	<i>Conform:</i> <ul style="list-style-type: none"> • Conform to the economic requirements of managers and directors • Embed new practices and structures within the Group's existing structures <i>Conform/Manipulate:</i> <ul style="list-style-type: none"> • Create new legitimating beliefs linking the programme to the Group's OI <i>Select:</i> <ul style="list-style-type: none"> • Pitch practices at new external audience (government grant agencies) 	<i>Conform:</i> <ul style="list-style-type: none"> • Conform to external standards • Conform to the best interest requirements of managers and directors <i>Select:</i> <ul style="list-style-type: none"> • Identify and attract key audience (CC family) whose moral values accord with the practices • Pitch practices at new external audience (consumers)
Outcomes of legitimisation process	<ul style="list-style-type: none"> • Comprehensibility of proposed practices was established • Practices gained pragmatic exchange type legitimacy • Procedural legitimacy established 	<ul style="list-style-type: none"> • Comprehensibility of programme was affirmed • Structural legitimacy of programme established 	<ul style="list-style-type: none"> • Temporal procedural legitimacy • Pragmatic best interest claims rejected

	Environmental Management System	Sustainability programme	External Reporting
Perceived extent of embedding	<ul style="list-style-type: none"> • Substantially embedded within the Group’s own operations • Partially embedded within the retailers’ operations 	<ul style="list-style-type: none"> • Substantially embedded within the Group’s operations and decision-making process • Partially embedded within the retailers’ operations 	<ul style="list-style-type: none"> • GRI-based reporting failed to embed and was (partially) replaced by UN Global Compact Report

10.5 Theoretical Implications of the Study

Constructing and mobilising the theoretical framework for the study provided a number of insights into the concepts and processes of internal legitimacy and OI, and the overlaps between the two. Firstly, in seeking to understand the concept of internal programme legitimacy, Chapter Three highlights the need for explicit consideration of the role played by an organisational level framework of values, norms and beliefs relevant to the internal legitimisation of new activities: “social actors do not create legitimacy in a vacuum, but within a particular organisational field, economic market, socio-historic space and geographical place” (Drori and Honig, 2013, p. 372). Internal programme level legitimacy evaluations involve, mainly, internal audiences, in particular, directors and managers, who often strongly identify with their collective OI, (Scott and Lane, 2000a) and may use this OI as their primary evaluative framework. Thus, drawing on the work of Suchman (1995), Maclean and Behnam (2010, p. 1501) and Brown and Toyoki (2013), an extended definition of internal programme or practice legitimacy is proposed as an ongoing social process manifested in a collective perception of the appropriateness or acceptance of an organisational programme or practice within the organisation’s framework of norms, values and beliefs embodied in its OI. This researcher would suggest that this conceptualisation of internal programme legitimacy is helpful as it highlights the need to consider the relationship between OI and programme level legitimacy.

An explicit consideration of time and process is also helpful when one is seeking to understand how internal legitimacy is or is not achieved and its relationship with OI. In particular, the salience of different types of legitimacy and legitimation work at different stages of the legitimation process needs to be considered. Previous work on the external legitimisation of new activities (Johnson et al., 2006) and the internal legitimisation of a new organisation (Drori and Honig, 2013) has suggested that, during the early stages of the

legitimation process (preliminary legitimation), the focus is likely to be on building the moral and pragmatic legitimacy of the organisation or activity at a local level. However, this study supports Bridwell-Mitchell and Mezas' (2012) argument that establishing cognitive legitimacy, in particular comprehensibility, plays a more important role in the emergence and legitimation of new activities *within* an *existing* organisation than previously considered. Arguably, new activities that are comprehensible (with reference to external norms or standard) but fail to develop strong links to the organisation's identity at this preliminary stage are more vulnerable to failing to establish or to losing legitimacy during the main stage of internal legitimation when the moral and pragmatic legitimacy of the activity and its outcomes are evaluated.

In addition, this researcher would suggest that individuals' legitimating identity talk (Brown and Toyoki, 2013) is an important mechanism for establishing comprehensibility at the preliminary legitimation stage. Considering individuals' explicit and implicit (organisational) identity talk provides insight into how the processes of OI and internal legitimation overlap. Legitimating identity talk allows (powerful) organisational members to establish or contest the legitimacy of new activities or programmes by creating explanations for these activities that are plausible *because* they establish cognitive links between the activity and the organisation's identity. Legitimating identity talk also allows organisational members to incorporate material about new organisational activities into their identity work and, in doing so, confirms their perceptions of the durability and salience of an organisation's OI claims. Over time, this new material can become part of the shared material used by organisational members to discuss OI claims and enacted identity. In addition, once the pragmatic and moral value of the activities has been established in the main legitimation stage, this type of identity talk can be used again by organisational members when they are creating shared legitimating beliefs about the programme.

Thinking about individuals' identity talk also prompted consideration of their roles as social actors within what are ultimately collective processes. This researcher would suggest that incorporating both social actor and social construction perspectives on OI (Schultz et al., 2012) and viewing these perspectives as mutually constitutive (Gioia et al., 2010) is helpful when one is considering a potential role for OI in internal legitimation processes. OI, from a social actor perspective, is a set of institutional claims, which are explicitly stated views of what an organisation is and represents (Ravasi and Schultz, 2006, pp. 434–5). These

institutional claims provide a guide for how the organisation and its members (social actors) should act and how stakeholders and other organisations should relate to them (Ravasi and Schultz, 2006; Smith, 2011). Through these claims about what the organisation stands for, and where it intends to go (Elsbach and Kramer, 1996; Albert et al., 2000), organisational leaders attempt to influence how internal and external audiences define and interpret the organisation (Ravasi and Schultz, 2006, p. 435). A social construction perspective focuses on OI as a collective understanding or interpretative scheme constructed by the members of an organisation (Ravasi and Schultz, 2006, pp. 434–5). Incorporating a social constructionist perspective brings into consideration both the *process* of construction and reconstruction of OI, with an implicit assumption that OI is something that changes over time (Gioia and Patvardham, 2012) and the identity work associated with this process. Identity work, as well as OI claims, can be relevant to an organisation's response to external or internal pressures, as organisation members may reinterpret an organisation's identity in order to make sense of the change (Dutton and Dukerich, 1991; Fiol, 1991; Gioia and Chittipeddi, 1991; Ravasi and Schultz, 2006).

From these perspectives, OI can be conceived of as encompassing a set of identity claims, an enacted identity and ongoing identity work to establish or maintain these claims (Kroezen and Heugens, 2012). This conceptualisation of identity as both some sort of *thing* (made up of two intertwined parts) and also always in *process* is helpful for understanding how OI is used by individual organisational members in their legitimation work. OI claims can be used by organisation members to filter and respond to internal or external issues (Dutton and Dukerich, 1991; Dutton et al., 1994). In conjunction with this, OI work can be used to relate a new process to “who we are, who we have been and who we wish to become” as an organisation, and this can be highly motivating for organisation members (Gioia et al., 2000; Gioia and Patvardham, 2012; Pratt, 2012; Kodeih and Greenwood, 2014). In addition, OI work is consequential in that it can make certain courses of action seem more plausible, justified or acceptable (Mueller and Whittle, 2012). Thus, conceptualising OI in this way has significant potential to contribute to our understanding of the internal legitimation of new organisational activities and processes.

In summary, this section outlined how this researcher's conceptualisation of internal legitimacy and OI for this study prompted her to consider the interconnectivity of these concepts more broadly. It then illustrates how an explicit consideration of time, process and

the role of both social actors and constructions can be helpful when this relationship is being explored.

10.6 Chapter Summary

This chapter was broadly divided into two sections. The first section summarised and discussed how the case narrative (Chapters Six to Nine) answered the three research questions framing the thesis. This case discussion was structured using the model in Figure 10.1 (p.155) and traces the emergence, evolution and partial embedding of the environmental management system and later the sustainability programme. It then turned to the emergence, growth and decline of the Group's GRI-based external reporting. The final sections then briefly discussed the policy implications of the study, followed by a discussion of some of the theoretical implications of the thesis.

Chapter 11: Conclusions

11.1 Introduction

This chapter provides the findings and conclusions for the study. The first section provides an overview of the study. The second section presents the research findings followed by a discussion of the research contributions in the third section. The chapter closes by considering the limitations of the research and directions for future research.

11.2 Overview of the Study

This study was motivated by a core, open-ended research intent (Berry and Otley, 2004, p. 235): to evidence, understand and explain the emergence, evolution, and (non) embedding of a sustainability programme and sustainability reporting. To address this research intent a case study was undertaken, using longitudinal, flexible, and iterative methods with the objective of obtaining rich, detailed and evocative data (Langley, 1999; Berry and Otley, 2004; Edmondson and McManus, 2007; Gioia et al., 2012). Multiple types of data (company documents, media documents, field visits and semi-structured interviews) were gathered during two separate phases of data collection. The core data (Gioia et al., 2013) for the study consisted of company documents – in particular, the sustainability reports and internal accounting documents – and semi-structured interviews. The concepts of OI (organisational identity) and internal legitimacy were then used to analyse and interpret the data. The theorisation, analysis and interpretation of this data gave rise to the case narrative presented in Chapters Six to Nine and the case discussion in Chapter Ten.

11.3 Research Findings

The study analyses why and how environmental management and accounting systems, voluntary external reporting and later a sustainability programme emerge, evolve and are (partially) embedded within a large group of companies. The analysis illustrates why and how the environmental management system emerged in the case organisation and demonstrates that organisational members will seek to assess the relevance of environmental issues to their organisation using their organisation's identity as an evaluative framework and, in this way, can accept or deny the need to change their activities. In doing so, the analysis demonstrates

that not all organisations are “naturally change-resistant” (Bouten and Hoozée, 2013, p.334) when it comes to environmental issues.

The longitudinal nature of the analysis also illustrates the evolutionary nature of the sustainability programme and the ongoing interplay between it and the organisation’s identity and internal legitimation processes. As the internal and external expectations of the emerging sustainability programme evolved, the personnel, policies, structures and accounting practices associated with the programme also changed. As the participants in the study experienced the evolution of the programme, the Group’s OI formed a significant aspect of their framework for evaluating the pragmatic and moral value and the comprehensibility of the programme. The analysis also evidences the vulnerability of apparently embedded structures (the environmental action teams) or activities (GRI-based reporting) to losses of internal legitimacy and active support as the programme evolved.

In addition, the analysis provides insight into the integral role of environmental management accounting in the emergence and legitimation of the environmental management system. This provides evidence to support the contention that management accounting is an important technology (Bebbington and Thomson, 2013) to support an organisation’s sustainable development transitions. The analysis demonstrates that it was primarily group members and external experts who introduced sustainability concerns into the organisation, and that environmental management accounting contributed to the diffusion of these concerns within the organisation and the pragmatic legitimation of the environmental management system as a whole.

With regard to external sustainability reporting, the analysis illustrates that external reporting is not exclusively motivated by external legitimacy considerations and provides further evidence to support the argument (Bebbington et al., 2009; Lodhia and Jacobs, 2013; Contrafatto, 2014) that internal dynamics have a significant role to play in the emergence of sustainability-related reporting. However, the case narrative also shows that external reporting may lag, rather than lead or trigger, sustainability activities and performance, contrary to what is commonly assumed in the literature. In contrast to Contrafatto’s (2014) conclusions, the study illustrates that external reporting can be a by-product of other sustainability activities (the environmental management system) rather than the organisation’s primary medium or output of the process of engaging with sustainability. In addition, and again in contrast to Contrafatto’s (2014, p. 429) findings, the longitudinal

nature of the study demonstrates that external reporting may be weakly and temporally internally legitimated rather than institutionalised, despite what would seem to be a favourable organisational environment incorporating an institutionalised notion of social and environmental responsibility or sustainability.

11.4 Research Contributions

This research makes a number of empirical and theoretical contributions to the literature on organisational sustainability and accounting for sustainability. Firstly, the study provides a holistic and longitudinal view of the development of a sustainability programme and related accounting within a family-owned company. In doing so, the study adds to our understanding of *why* and *how* these activities emerge, evolve and become (partially) embedded within an organisation. In considering *why* environmental management accounting and voluntary external reporting emerged, the study adds to the small but growing body of literature (Bebbington et al. 2009 and Lodhia and Jacobs 2013; Contrafatto 2014; Belal and Owen, 2015) that provides a more detailed, complete and nuanced view of the motives for this type of accounting and reporting (O'Dwyer, 2002). It therefore responds to Hopwood's (2009, p.437) call for detailed case studies exploring the variety of motives implicated in the (non) production of environmental and sustainability-related accounts.

In addition, only a small number of studies (see, for example, O'Dwyer, 2005a; Contrafatto, 2014; Belal and Owen, 2015) have explicitly focused on *how* accounting for sustainability develops in specific organisational contexts. Yet, studies of this kind are necessary to understand and evaluate the potential of this type of accounting, and accounting in a wider sense, to promote transformative change in our ways of thinking and doing business (Contrafatto, 2014). More specifically, this study provides insight into the divergent internal legitimation and evolution of environmental management accounting and voluntary, GRI-based sustainability reporting. It demonstrates how, as the sustainability programme developed within the case company, environmental management accounting became an integral part of the environmental management system and later the sustainability programme but internal support for reporting faded. The study's holistic consideration of the evolution of both environmental management accounting and external reporting as part of the emergence of a sustainability programme represents a significant departure from the prior literature on sustainability accounting. This literature has been criticised for decoupling the accounting

narratives about sustainability in external corporate reports from the organisation's actions or inactions around sustainability (Bebbington and Larrinaga, 2014) and this study responds directly to Contrafatto's (2014) call for more in-depth and sustained research in this area. In addition, this study adds to the work of Belal and Owen (2015) who suggest that voluntary sustainability reporting can cease when it is perceived as conflicting with the fundamental economic interests of the reporting organisation by demonstrating that voluntary reporting can cease even when no such conflict exists.

The study also examines the role played by key participants in the sustainability programme and, in doing so, it supports the importance ascribed by Bouten and Hoozée (2013) and Contrafatto (2014) to individual organisational actors in establishing new environmental activities. In addition, the case narrative provides insight into the *nature* of the roles played by the key participants in seeking legitimation from internal audiences and powerful stakeholders and in (re)evaluating and (re)selecting which activities to actively support themselves.

At a theoretical level, the study adds to the limited body of work (in particular the work of Bridwell-Mitchell and Mezias, 2012; Brown and Toyoki, 2013) which has sought to examine the relationship between OI and internal legitimacy. The study supports Bridwell-Mitchell and Mezias' (2012) argument that establishing cognitive legitimacy, in particular comprehensibility, plays a more important role in the emergence and legitimation of new activities *within* an *existing* organisation than previously considered. In addition, the study highlights the role of individuals' legitimating identity talk (Brown and Toyoki, 2013) as an important mechanism for establishing comprehensibility during the initial or preliminary legitimation of emerging organisational activities. The study also demonstrates how the processes of OI and internal legitimation overlap through this mechanism.

11.4.1 Limitations and Future Research

A number of limitations to the study act as qualifiers for the analytical framework and as opportunities for future research (Nag et al., 2007). Firstly, although the study is longitudinal and was carried out concurrently with the emergence of the sustainability programme in the CC Group, it relies on retrospective data concerning the emergence and evolution of the environmental management system in the late 1990s. The research process employed sought to mitigate this limitation by using methods advocated by Miller et al. (1997): interviewing

multiple knowledgeable respondents; allowing for free recall (respondents could say as little or as much as they wanted); and using additional data sources (documents and reports). Focusing on one organisation within a specific ownership context also limits the transferability of the results. The CC Group is a long-established family-owned company. The CC family are no longer involved in the day-to-day running of the company, but the company's OI has been influenced by generations of family ownership. It is in this context that the legitimisation strategies for the programme have operated. However, this was a necessary sacrifice to gain the in-depth insight needed to develop our understanding of the internal legitimisation process for sustainability programmes and sustainability accounting. This study is one of only a handful of studies which have taken a holistic and longitudinal view when examining the internal legitimisation of sustainability accounting and reporting, further studies of this type, in similar and other contexts, are needed to develop our understanding of the robustness of the study's findings.

In addition, the findings of this and other studies (Bouten and Hoozée, 2013; Thomson et al., 2014) demonstrate that environmental management accounting has an important role to play in supporting an organisation's sustainability programme. In examining the role of environmental management accounting, this study focuses primarily on the operation of the system within the CC Group. However, there was some evidence that this system, in the form of waste and energy accounting, had expanded into the CC Group's supply chain and in particular the franchisees' operations. Future research could therefore seek to understand the nature and operationalisation of environmental management accounting within supply chains.

Finally, the study highlights the role of identity work in establishing and evaluating the internal legitimacy of a sustainability programme that was found to be comprehensible and ultimately internally legitimated by the group members. Future research could seek to understand the role (if any) that identity work plays in organisations where sustainability initiatives are seen as incomprehensible or lack internal legitimacy.

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Appendix A: Document Index

No.	Title	Source	Date Received
External Sustainability Reports			
1	Environmental Report 2001	Website	7 January 2007
2	Environmental and Social Accountability Report 2002	Group member	29 March 2007
3	Environmental and Social Accountability Report 2002-2003	Group member	29 March 2007
4	Sustainability Report 2006	Group member	29 March 2007
5	Sustainability Report 2008	Field visit	9 March 2010
6	Sustainability Report 2010	Website	10 May 2012
7	Key Facts Sustainability Report 2010	Website	10 May 2012
8	Key Facts Sustainability Report 2012	Website	22 August 2013
Phase Two Documents and Other Media			
9	The Shaping of CC DVD	Group member	29 March 2007
10	A History of CC: The First 125 Years	Group member	29 March 2007
11	The Friday Interview	The Irish Times (print copy)	18 April 2008
12	Ethical Trading Policy	Group member	29 March 2007
13	Energy and Natural Resources Management Policy	Group member	29 March 2007
14	Guide to Waste Management	Group member	20 June 2007
15	Presentation to CCRPI directors – EAT [environmental action team] review for 2004	Group member	28 June 2007
16	Presentation to CCRPI directors – update on EAT workplan for 2005	Group member	28 June 2007
17	EAT Information for March 2007 Board Report	Group member	28 June 2007
18	CCRPI EAT – Meeting Minutes and Actions	Group member	28 June 2007
19	CCRPI EAT Workplan for 2007	Group member	28 June 2007
Phase Three Documents			
20	Being a Good Neighbour Policy	Group member	23 March 2010
21	Consumer Choice Policy	Group member	23 March 2010
22	Consumer Choice Targets	Group member	23 March 2010
23	Energy and Emissions (Buildings) Policy	Group member	23 March 2010
24	Energy and Emissions (Buildings) Targets	Group member	23 March 2010
25	Energy and Emissions (Transport) Policy	Group member	23 March 2010
26	Energy and Emissions (Transport) Targets	Group member	23 March 2010
27	Packaging Policy	Group member	23 March 2010
28	Packaging Targets	Group member	23 March 2010
29	Regulatory Compliance Policy	Group member	23 March 2010
30	Waste Management Policy	Group member	23 March 2010
31	Waste Management Targets	Group member	23 March 2010

No.	Title	Source	Date Received
32	McKinsey Quarterly – The five attributes of enduring family business	Group member	9 March 2010
33	JP Morgan Case Study of CC Group plc for the Family Business Honours Award for Business Success	Group member	9 March 2010
34	Pre-interview response	Group member	12 April 2010
35	Family Business network paper – Responsible Ownership of the Family Business: State-Of-The-Art	Group member	15 April 2010
36	Family Businesses Shine in 2010 “Most Ethical Companies” List	Group member	15 April 2010
37	Reduction in Primary Packaging Case Study	Group member	18 May 2010
38	Interview with CEO	CC website	9 May 2010
39	Excerpt from Board Report June 2010	Group member	29 June 2010
40	IGD Case Study, CC, Taking Miles off the Road and Improving Fuel Efficiency	Group member	15 June 2012
41	Retailer Waste Analysis Report	Retailer	26 June 2012
42	Summary of Board Minutes (1984-1986)	Group member	4 December 2012
Phase Four Documents			
43	Communication on Progress 2011	Website	10 May 2013
44	Communication on Progress 2011: Performance Update	Website	10 May 2013
45	Communication on Progress 2013	Website	22 August 2013
46	Meaning of Sustainability	Website	22 August 2013
47	Emerald Aisles: Supermarket Shakeup	The Irish Times (print copy)	10 August 2013
48 – 69	Various Media Articles	Active Paper: Archive Search	Search carried out on 22 August 2013

Appendix B: Interview Index

Inter- viewee No.	Inter- view No.	Position	Relationship to Company	Description	Code for Quotes	Date of Interview	Length of Interview in Minutes	Location
Phase Two Interviews								
1	1 (1 of 3)	CC Group Environmental Executive	Employee	Senior group executive responsible for sustainability	(I1, R1)	29 March 2007	126	Group head office
2	2 (1 of 2)	External Environmental Consultant	Consultant	External consultant	(I2, R1)	10 May 2007	74	Consultant's office
3	3	Group CEO (retired)	Employee	Group Director	(I3, R1)	19 June 2007	53	Hayfield Manor Hotel
4	4 (1 of 2)	Health and Safety Manager (Wholesale)	Employee	Divisional executive/manager	(I4, R1)	20 June 2007	66	Division office
5	5 (1 of 2)	Facilities, Health and Safety Manager (Franchise)	Employee	Divisional executive/manager	(I5, R1)	28 June 2007	60	Division office
6	6	Director	Employee	Divisional Director	(I6, R1)	15 August 2007	46	Division office
Round Two								
1	7 (2 of 3)	CC Group Environmental Executive	Employee	Senior group executive responsible for sustainability	(I1.2, R2)	9 March 2010	174	Group head office
1	8 (3 of 3)	CC Group Environmental Executive	Employee	Senior group executive responsible for sustainability	(I1.3, R2)	22 March 2010	44	By phone
7	9	Director	Family member	Family director on group board.	(I7, R2)	15 April 2010	155	Group head office

Inter- viewee No.	Inter- view No.	Position	Relationship to Company	Description	Code for Quotes	Date of Interview	Length of Interview in Minutes	Location
8	10	Staff	Employee	New product development (franchise)	(I8, R2)	18 May 2010	36	Division office
5	11 (2 of 2)	Facilities, Health and Safety Manager Franchise	Employee	Divisional executive/manager	(I5.2, R2)	29 June 2010	66	Division office
4	12 (2 of 2)	Health and Safety Manager (Wholesale)	Employee	Divisional executive/manager	(I4.2, R2)	21 July 2010	35	Division office
9	13	Staff	Employee	New product development (franchise)	(I9, R2)	26 July 2010	27	Division office
2	14 (2 of 2)	External Environmental Consultant	Consultant	External consultant	(I2.2, R2)	24 August 2010	48	Consultant's office
10	15	Logistics Director CCRPI	Employee	Divisional Director	(I10, R2)	6 December 2010	50	By phone
11	16	Group CEO	Employee	Group Director	(I11, R2)	21 December 2010	53	By phone
12	17	HR Manager	Employee	Group HR manager	(I12, R2)	9 December 2011	54	By phone
13	18	Head of Store Development	Employee	Senior executive	(I13, R2)	21 December 2011	37	By phone
14	19	Regional Store Manager (DIT student)	Employee	Manager	(I14, R2)	21 April 2012	53	DIT office
15	20	Logistics Manager (Franchise)	Employee	Manager	(I15, R2)	15 June 2012	42	Division office
16	21	Driver	Employee	Driver	(I16, R2)	21 June 2012	60	Clarion Hotel, Liffey Valley,

Inter- viewee No.	Inter- view No.	Position	Relationship to Company	Description	Code for Quotes	Date of Interview	Length of Interview in Minutes	Location
								Dublin
17	22	Retailer (owner)	Franchisee	Retailer/Franchisee	(I17, R2)	26 June 2012	77	Retailer's premises
18	23	Retailer (owner)	Franchisee	Retailer/Franchisee	(I18, R2)	26 June 2012	53	Retailer's premises
19	24	Retailer	Franchisee	Retailer/Franchisee	(I19, R2)	28 June 2012	50	Clarion Hotel, Liffey Valley, Dublin
20	25	Manager	Employee	Store Manager	(I20, R2)		25	Retail premises
21	26	Logistics Accountant (Franchise)	Employee	Accountant	(I21, R2)	13 July 2012	60	Division office
22	27	Group Archivist	Employee (part-time)	Group Archivist	(I22, R2)	4 December 2012	8	Group head office

Twenty seven interviews carried out with 22 individuals between March 2007 and December 2012.

Total length of interviews: 1632 minutes or 27 hours 12 minutes.

Average length of interview was 60 minutes.

Longest interview was 177 minutes and shortest was eight minutes (part-time company archivist).

Archive Visit – Access to Interviews

As part of the archive visit I was allowed access to two interviews carried out by the archivist. The first was an interview with a retailer; I was allowed to listen to and take notes about this transcript. The second interview was with the last CC family member to be CEO of the CC Group and I was allowed to read the transcript and take notes from it.

BITCI Interview Index

Interviewee No	Interview No	Description	Code for Quotes	Date of Interview	Length of Interview in minutes	Location
1	1	BITCI Senior Consultant	C1	16 April 2010	63	BITCI office
2	2	BITCI Consultant	C2	13 May 2010	46	BITCI office
3	3	BITCI Consultant	C3	23 June 2010	50	BITCI office
4	4	BITCI Consultant	C4	25 June 2010	70	BITCI office
5	5	BITCI Senior Executive	C5	20 August 2010	72	BITCI office
TOTAL					301 minutes 5 hours 2 minutes	

Appendix C: Master Interview Guide (Round One)

Reminder: Confirm position on recording the interview.

Questions on the Reporting Processes

1. In your opinion what has motivated CC to engage in social and environmental reporting?

Potential Probes:

- a. Communicate with stakeholders
- b. Reputation management/public relations
- c. External pressures/disturbances – legislation, NGOs, general greening pressures
- d. Accountability/responsibility
- e. Legitimacy
- f. Enlightened self interest

2. Could you please describe your role in the process?

3. Your reflections on the evolution of the social and environmental accounting (SEA) process from its instigation to the present (4 reports in last 5 years).

Potential Probes:

- a. Reasons for not producing a report in 2004/2005
- b. The difficulties/challenges involved in the establishment of the process
- c. The impact of the process on the organisation at the various operating levels
- d. The reality of implementation in comparisons with prior expectations
- e. Areas for improvement
- f. The audit process with CSR network

4. Openness/resistance to the process through the wider CC network?

Potential Probes:

- a. Franchises
- b. Suppliers

5. What do you perceive as the costs and benefits of the process?

6. Any specific organisational changes which have occurred due to the introduction and the ongoing process of social and environmental accounting?

Potential Probes: changes in ...

- a. vehicles, buildings, equipment (sub systems)
 - b. Information systems, organisational structure, decision process (design archetypes)
 - c. Beliefs, values, rules, policies, mission (interpretive schemes)
7. Feedback on the reports from industry and internal and external stakeholders?
 Potential Probes:
- a. Shareholders/Family/ Executives,
 - b. Employees,
 - c. Customers/Retailers,
 - d. Consumers
 - e. Suppliers
8. Your reflections on the stakeholder consultation process reported on in the 2006 report?
 Potential Probes:
- a. The difficulties/challenges involved
 - b. Identification of core stakeholders
 - c. Reflection on results of process
 - d. Plans for further consultation
9. In your opinion what effects (if any) have the reports had on CC's external reputation?
 Potential Probes:
- a. From the point of view of stakeholders
 - b. Wider business community
 - c. Media coverage
10. In your view what effects (if any) has the SEA process and reports had on CC's self-image?
- a. Feel good factor
 - b. Change in your personal view of CC
 - c. Employee and staff views
 - d. Management and board of directors
11. How would you define the boundaries of the CC organisation?
 Potential Probes:
- a. Retailers/franchises
 - b. Employees
 - c. CC family
 - d. Customers

12. In your view does CCs have regular contact and/or communicate regularly with the people and communities affected by the company?

a. If yes, what form does this contact take?

Potential Probes:

- i. Spatial proximity – business operates mainly in Ireland and UK.
- ii. Effect of SEA and reports on this contact
- iii. Dialogue with retailers/customers, suppliers and consumers as part of normal ops of the business
- iv. Dialogue with stakeholders

13. Anything you would like to add? Something I should have asked about but didn't?

Appendix D: Master Interview Guide for Group Members (Round Two)

Reminder: Confirm position on recording the interview.

1. Could you please tell me about your role in CC?
2. Are you involved in the social or environmental activities?
 - a. Recycling
 - b. Energy management
 - c. Charitable initiatives
 - d. Procurement
3. How did you become involved in the process?
4. Your reflections on the evolution of the sustainability programme since you have been involved?
 - a. The difficulties/challenges
 - b. Areas for improvement
5. Openness/resistance to the process through the wider CC network?
 - a. Suppliers
 - b. Retail partners
 - c. Strategies for gaining their support.
6. What do you perceive as the costs and benefits of the process?
7. Any specific organisational changes which have occurred due to the introduction and the ongoing process of social and environmental accounting?
 - a. Potential Probes: changes in...
 - i. vehicles, buildings, equipment (sub systems)
 - ii. Information systems, organisational structure, decision process (design archetypes)
 - iii. Beliefs, values, rules, policies, mission (interpretive schemes)
8. Are you aware of/would you read the sustainability reports or other communications?
9. Feedback on the reports/process from industry and internal and external stakeholders?
 - a. Shareholders/Family/ Executives,
 - b. Employees,

- c. Customers/Retailers,
 - d. Consumers
 - e. Suppliers
10. In your opinion what effects (if any) have the reports had on CC's external reputation?
- a. From the point of view of stakeholders
 - b. Wider business community
 - c. Media coverage
11. In your view what effects (if any) has the SEA process and reports had on CC's self-image?
- a. Feel good factor
 - b. Change in your personal view of CC
 - c. Employee and staff views
 - d. Management and board of directors
12. In your opinion what impact (if any) has the recession had on the sustainability programme?
- a. Budget/resource constraints
 - b. Greater focus on cost savings
 - c. Projects cancelled/discontinued
13. Who do you perceive as the most influential/significant supporters of the sustainability programme?
- a. Family
 - b. Board
 - c. Management
 - d. Employees
 - e. Franchisees
 - f. Suppliers
 - g. Government/regulatory
 - h. Media
14. In your opinion why is their support important/influential?
- a. Direct involvement in the process
 - b. Symbolic support
 - c. Influential with other members of the company
15. Have you actively sought their support? If so how do you try to gain their support?
- a. Demonstrate cost savings or other benefits of the process to them
 - b. Long-term benefits
 - c. Reputation benefits
 - d. Moral arguments
 - e. Identity fit
16. Which approaches do you perceive as having been most successful in gaining support for the process?

17. Are there external events or trends which have helped to support the process?
 - a. Consumer trends
 - b. Environmental awareness

18. How would you describe CC Group?
 - a. Central/key characteristics
 - b. What makes it distinctive from other companies in the industry?
 - c. What is its mission?

19. What is it like to work for CC?

20. In your opinion does the sustainability programme now form a part of who CC are?

21. Anything you would like to add? Something I should have asked about but didn't?

Appendix E: Master Interview Guide for Retailers (Round Two)

Reminder: Confirm position on recording the interview.

1. Is your store involved in social or environmental activities, for example, recycling, energy management and community or charity involvement?
2. How did you become involved in these areas?
3. Your reflection on any changes in these areas in your store or in CC operations?
4. How would you describe CC Group?
 - a. Prompts:
 - b. Central/key characteristics
 - c. Is it distinctive from other companies in the industry?
 - d. Mission, values, family.
5. What is it like to work with CC Group?
6. Do you think that the CC Group values influence the operation of the company?
7. Do you have any contact with the CC family?

Appendix F: Publications, Working Papers and Conference Presentations

ESRA Reports

- 1) Maughan, R. (2007). *European Sustainability Reporting Association: Report for Ireland*. Web-based publication. Available: <http://www.sustainabilityreporting.eu/esra/ireland/>.
- 2) Maughan, R. (2006). *European Sustainability Reporting Association: Report for Ireland*. Web-based publication. Available: <http://www.sustainabilityreporting.eu/esra/ireland/>.

Working Papers

- 1) Maughan, R. and O'Dwyer, B. (2007). An In-Depth Study of a Leading Irish Social and Environmental Reporter. In *Proceedings of the 19th International Congress on Social and Environmental Accounting Research*, September 3rd - 5th 2007, St Andrews University, Scotland.
- 2) Maughan, R. and O'Dwyer, B. (2010). Exploring Sustainability Practices and Reporting at CC Group: A Case Study of an Irish Private Company. In *Proceedings of the 23rd Annual Conference of the Irish Accounting and Finance Association*, 6th-7th May 2010, University of Ulster, Northern Ireland.
- 3) Maughan, R. and O'Dwyer, B. (2010). Exploring Sustainability Practices and Reporting at CC Group: A Case Study of an Irish Private Company. In *Proceedings of the 22nd International Congress on Social and Environmental Accounting Research*, September 3rd - 5th 2010, St Andrews University, Scotland.
- 4) Maughan, R. and O'Dwyer, B. (2010). Integrating the Corporate Sustainability programme: An Exploration of the Development of Internal Legitimacy for Corporate Social and Environmental Practices and Reporting. In *Proceedings of the 7th Corporate Responsibility Research Conference*, 15-17 September 2010, Euromed Management Marseille, France
- 5) Maughan R. and O'Dwyer. B. (2012). Where is the accounting? The role of internal accounting and external reporting in an emerging sustainability programme. [Published Abstract], *36th Annual Congress of the European Accounting Association*, Paris Dauphine University, 5-6 May 2013.

Book Chapters

- 1) Maughan, R. (2010). CSR in Ireland: Current Practice and Directions for Future Research. In Hogan, J., Donnelly, P. F., and O'Rourke, B. K. (Eds.) *Irish Business*

and Society: Reflections on Governing, Participating and Transforming in the 21st Century, Dublin: Gill & MacMillan.

- 2) Maughan, R. and O'Driscoll, A. (2012). *Reconsidering Community-based Retailing*. In O'Callaghan, E. and O'Riordan, D. (Eds.) *Retailing in Ireland - Contemporary Perspectives*, Dublin: Gill & Macmillan.

Conference Presentations

Number	Date	Event	Nature of Participation
1	July 2007	Asia Pacific Interdisciplinary Research in Accounting (APIRA) Emerging Scholars Colloquia	Oral Presentation
2	September 2007	19th International Congress on Social and Environmental Accounting Research	Oral presentation & non-refereed paper (Working Paper 1)
3	April 2008	British Accounting Association Doctoral Colloquium	Oral presentation
4	May 2009	22 nd Annual Conference of the Irish Accounting and Finance Association	Oral presentation
5	May 2010	23 rd Annual Conference and Doctoral Colloquium of the Irish Accounting and Finance Association	Oral presentations & non-refereed paper (Working Paper 2)
6	September 2010	22 nd International Congress on Social and Environmental Accounting Research	Oral presentation & non refereed paper (Working Paper 2 Draft 2)
7	September 2010	7 th Corporate Responsibility Research Conference	Oral presentation & non-refereed paper (Working Paper 3)
8	September 2012	24th International Congress on Social and Environmental Accounting Research	Oral presentation
9	May 2013	36 th Annual Congress of the European Accounting Association	Oral presentation & refereed paper (Working Paper 4)

Appendix G: Illustrative Quotes of Organisational Identity Claims

Family Claims

I think it (the culture) obviously, I think, originates from the CC family, Thomas and Stuart CC who came to Cork back in 1886 and came from very humble surroundings in North County Leitrim. And it was probably when you read the history about the ... you know, the first couple of generations you can see how they lived very modest lifestyles, the business survived through very difficult trading periods, through the World Wars, things like this. And there was never any affluence of any kind shown by any member of the family anywhere. And that probably setting the culture, although it was never described, I'm sure, in that way, but I think the culture that's there now that has evolved over years, I think, you know, when we describe it now and commit it to paper, things like working hard, yeah, these people work very hard, not being greedy. (I3,R1)

Yes, a very strong culture in the business, and it's fundamental I think the fact that it is family-owned. And ok that's a starting point but the fact that our - for example our division of the business has over twelve hundred employees, and that's only part of CC wholesale - CC Group. And it's a small part of it. So, even those twelve hundred employees, if you take a management conference, we had one there a couple of months ago, there was about 120 attendees, and 30 people were new to the business, but the rest have been here, and if you did a poll they probably averaged the number of years people are in the business is ten years plus, which is amazing in the climate we live and in terms of people chop and change roles a lot more in the economic climate. (I4, R1)

It's like working in a big company but working for a small family if that makes sense. So it's a big, big company but it still does have a very much long-term do the right thing, look after our values as a company which all stems back from the family and the direction that they've set. (I10, R2)

The other key is, are the family and the values, you know, we are a family business although we're very large, we're a family business, we're not quoted, we operate with our family values because we see ourselves as a family business working with family businesses. (I11, R2)

So, there's that family feel. And I know it's a bit of a cliché, people say "It's a real family feel here." But you do definitely feel that there's a family sort of feel to the entire ... And I think that comes from the CC family themselves. Because of the way that they treat people, the way that they work with people. It sounds a bit sugary but it isn't, you know. I mean I can be as cynical as the next person or whatever but there is definitely, I've worked in a lot of multi-national companies, and I've worked all over the world. CC is a different place, it really is different. Yes there are tough decisions that have to be made and it's a hard place to work, we work hard here. But in terms of the climate or the environment here it's certainly different. There's a different feel to it. (I1.2, R2)

Family retailers. Family wholesalers. I think the family thing is very important. I think it has always been important to them, and I think they have always wanted to be seen as a family business, irrespective of their size. (I2.2, R2)

Would you, for example, would you see them as a family company?

Ah, I used to, not any more, no. They're just, they've gotten so big that that element's kind of probably been lost a bit, I guess, like, when you're talking about something the turnover 7 billion, like, you know, it's hard to be family at 7 billion, if you know. And especially with times being tougher, everything's all the costs being looked at, and the whole lot, so it would ... I wouldn't ... Having said that they're still, like, like I'd be on first name basis with most of the board, and something like that, so they still, they would be, like, they wouldn't be like, say, as big as Tesco, or something like that, so, we've got the boards here, and you're here, like, but it's... But they have grown, so ... Like in cases that happens, like, when you're doing that kind of turnover you have to be so, you know, focused and ... (I20, R2)

But it's corporate, it's not your local family business by any means, you know. Until when you go to conference and then it's all the families, it's all the retailers there, you know. (I18, R2)

Value-Based Claims

So it is actually, as I said it goes back to us being very honest. And we are an honest, we actually are an honest company to deal with. (I6, R1)

Our values would centre around things like openness, honesty, not being greedy and working hard and I think all of those kind of values fit in and we've to live those values and they're well-articulated on a pretty regular basis. So, they're pretty serious as far as we're concerned. And by and large, I think, you know, people live by them within the organisation. (I3, R1)

... the CC core values, which is a very strong set of principles by which each of us is expected to operate our business, and in fact it is what we expect of our suppliers as well, and those that we do business with, that they similar appreciate and recognise and sort of almost sign up to those values. (I1, R1)

I think the fundamental values of CC that they've had for the last X number of years are still fundamentally the values held today, I don't know maybe X has spoken to you about those, and that's what's driving business. (I4, R1)

Things like openness and honesty; it's just, yeah the nature of the organisation as well. People feel free to speak their mind and they're encouraged to do so and to be honest in their comments. And are not taken apart for speaking their mind, as it were. And if, you know, again, if in circumstances where people may have made a mistake or done the wrong thing they're encouraged to actually open up and talk about it rather than try and hide it and hopefully they'll learn from that, so that feeds in then to people I suppose, part of the culture, that people are empowered to make decisions, insofar as that's possible, rather than having to check back all the time. These things feed into each other I think, yeah. (I3, R1)

But, I suppose what is very key in there (the strategy documents), you have got the strategic intention to, if you read it and it would probably be very useful for you to put it in, are the company values. So, all the values that I was speaking about they actually sat down and I don't see it written ... but it is actually contained in the long-term view, stable relationships, so, all the key words are in there. I suppose the point I am making. He was saying "Listen to me, if I am handing on or we are handing on to non-family Chief Executives we expect the company to be run in this way". So, the values that was sort of understood within the company and it becomes a way of working. (I7, R2)

Ahm, what else, I think if you look at the five values. The values would suit the company very good in terms of what the company is probably about. I would have been

involved in the values team in the very early days. I would have sat down to look at ...when I say the early days, back in the early noughties, that would have looked at the values and said “Does the company CC – do they live the values or do they aspire to live the values”? At the time we would have said that CC aspired to the values and we would have started off looking to see what new values would we put in place in the company. We would have presented that to the board. The board then would have taken the document and they would have if you like, re-looked at the values but they would have agreed certain aspects of it that we aspire to the values and didn’t live them. But, they would have gone back to the core values and then reinvented those into the company. So, I would now quite happily say that the company live the values, ten years later. (I5.2, R2)

When I started first I was like, Oh God, values! I was like, what is this about at all, but they really do. They talk about them all the time. They are not just something that is on the wall that nobody ever mentions. When we do brand planning and when we plan for 2015, like I said earlier, they will always bring in ...we must remember our core values of honesty and hardworking and so, yeah, I really, because as I said, when I started first I was like “Oh my God, what is this about, I will probably never hear these again ...” but ... I do believe they defiantly try and live them (I9, R2)

So, it is not a case of going as a lot of companies have done ... they go in and somebody says “You have to have a list of values”. So, people sit down and say “Well I like that one, I like that,” it is kind of like bingo. It doesn’t mean anything. I can honestly say when I worked in the company as a full time manager, I just took it as a given, there is long-term, honesty and a way of working. When I came back in again as a non-executive director I was walking into warehouses where the employees had put the values up on the warehouse walls and they were trying to come up with ways ... every week they would come up with a way to try and live the values. I have seen that in some of the warehouses. I think people do believe it. They aren’t values that are unique to CC but I think you have got to put your actually courage on the actual sticking plate. You have got to put it up there and say that is what we believe. Really they are the ways of working that have guided the behaviours which have got us ultimately where we are. (I7, R2)

I mean most of the thinking and the putting things together, I think, and my father was responsible for this, he realised that listen as the family stepped back from the day-to-day management and as it looked like in the short to medium term it wasn’t going to be a family managing director it was going to be a professional managing director. At that stage I think it is important as owners and probably as the MD as ... one of the senior family members who understand the company, it is important to begin to codify for the Executive what the family’s expectations are around the running of the company. I suppose there are certainly, probably under my father’s watch, as MDs there were two, well there was one very, very clear document which they did, a strategy document which I think is in the back of this which is done in 1996 just before he resigned as ... CC Strategy document 1996. This was done with the board, with family members and non-family and non-execs ... and what he was trying to do was actually codify what the family’s expectations were around the company ... But, I suppose what is very key in there ... are the company values. (I7, R2)

I think their values come through in absolutely everything that they do. I think they’ve very, very strong values, and I think that’s been fundamental ... basis to their ... they’ve very, very straight ... they obviously have a bottom line that they have to adhere to, but they’re not greedy greedy, you know? And I don’t think they would have built the brand had it all been about them. I think they’re very much ... it’s not a them and us. And historically, that’s kind of what ... when I came into the business, that’s nearly what I was kind of told. That’s them, this is us, never the twain shall meet. But actually they’ve totally ... as they grew the business and it became more than just a warehousing facility, their values have become more and more and more instrumental, I think, to the business. Yes, I think their values are absolutely fundamental. And that’s in their staff, it’s in ... it comes through to the person answering the phone down in Cork. (I17, R2)

Business-Model Claims

I think trying to do the right thing is definitely, or aiming to do the right thing. I mean, I don't think we can ever say we were doing the right thing in everything we do. But I think definitely we aim to be as good as we can or be among the best if you like. (I5, R1)

And I think that, I often say at presentations and at meetings and things like that, you know CC were doing CSR before the word CSR, the phrase CSR was really coined. You can go back through their history and you'll see that they made choices sometimes difficult choices, but always for the right reasons. You know there's a story about them after the war in Cork where there was tea rationing and tea was a very valuable commodity and CC had quite a bit of tea and could have sold it literally to the highest bidder and you know really could have profited on it. But what they did was they distributed the tea pro-rata based on what people's previous requirements were. So I'm talking now about commercial business, so if they had half the tea available then you got half of what you always got, if they only had quarter then you only got quarter, and they made sure everybody got something. And that's just one example of you know seeing the bigger picture. They could easily have sold it for 10 times its value and as I say profited from it but they chose not to. And they, that's the same attitude they have in business. (I1, R1)

In the earlier years you have the achievement sort of working hard, long-term stable relationships would have been pretty fundamental to the way of working. I suppose my great-grandfather, really, he wasn't a guy to pull actual strokes on people and for them it was a very natural way of managing that you were tough but fair and I think that was very evident in my great-grandfather from early part of the last century right up to 1954 ... and I think that way of working and the long-term approach, I suppose the honesty and the straight dealing and also I think the willingness to invest in the business led to the development of the foundations of the company. (I7, R2)

From a family perspective the values, coming back to what I said earlier, you know, are important and the family judge the business not just purely from an economic point of view, although clearly that's important in the long run, they also judge it as to whether it's doing the right thing because ultimately it's their name over the door. So one of the tasks I'm set is to make sure that the business absolutely lives its values so, you know, one of the challenges that that brings is how to measure that when you're looking at, you know, fairly esoteric values that are quite hard and judgemental to understand. (I11, R2)

Absolutely, we have stayed true to our values I think absolutely and, you know, again if you speak to people the vast majority of people will say the essence of the company is the same but I spoke earlier about being a paternalistic organisation. We're not as paternalistic now as we would have been a couple of years ago, absolutely not, we can't afford to be so, you know ... and I think we have taken a harder line with some people. People have left our business that weren't performing that maybe prior we might have said, okay, you know, we'll just let that, kind of, go. We just don't have the space for that anymore, you know. (I12, R2)

But I think have we stayed true to our values? Yes, the values are not just about what you do, it's how you do it so if I think back to that Galway example again, you know, making 145 people redundant is not a nice thing to do but you do it living our values and treat people with dignity and respect and so they feel when they walk out the door that while absolutely it's devastating that they've lost their job they have been treated in the right way and absolutely any of our employees would say that to you. (I12, R2)

The common theme that really runs in all those brands - because we have nine in Ireland, Britain and Spain - is the need to really be, to support our independent retailers to be in the local community. And I suppose our work on brands said, look, if we're going to be unique in the market place then we need to really understand what being in the local community actually means and we use terms such as being a good neighbour and also helping people build vibrant communities, and why that's important is because the

retailer's competing with multiples and discounters and so they have to offer something that's different and better. (I11, R2)

It's about being involved in your local community and it's about giving back, you know, Tidy Towns, GAA, all that sort of stuff. It's about being involved, sincerely being involved (I19, R2)

Very hard working company, very hard working company. Very ambitious company. We've very ... the company's very committed and passionate about what we do which is local active ... community active retailing, supporting independent retailers in the Republic of Ireland, Northern Ireland and the British Isles basically. (I12, R2)

Yes, and that whole community thing, they would preach that constantly, but they would also preach be sincere about it and I think that's what makes the difference these days is everybody can take advice and do these things, but if you are sincere about it, then you would achieve more, if you know what I mean, because people see that. (I19, R2)

Oh, they're tough. Oh, they are very tough, hardnosed people, but you will never feel that you can't turn your back on them for a second. There's an integrity about them, in their toughness, and I think that's the thing that really stands out about them as a company, hard but fair. (I2, R1)

Yes, CC is a tough business we're in a tough environment, because if you're you know if you're competing with the multiples you have to be tough. And if you're a supplier you'd probably say that CC are extremely tough. But at the end of the day it's about long-term relationships and about making sure that you don't, you don't leave people, you don't have people leaving a meeting feeling that they got a bad deal. That, yes, they've had to fight hard for it but at the same time that it's fair and equitable and that the, the benefits of that, that the business generates are shared. Because don't forget we know our retailers, we're dependant on the retailers, you know, for our sales but they're equally dependent on us for their margin so it's about making sure that we use the scale business to benefit everybody. They get a little, we get a little. And that's how, that's how it's designed. Similarly from I think from an environmental or corporate social responsibility perspective the view is that this is how business should be conducted. It doesn't matter that maybe other people don't conduct their business in that way, this how we, we want to do. (I1, R1)

There's an integrity about them, in their toughness, and I think that's the thing that really stands out about them as a company, hard but fair. (I2.2, R2)

Because we're in a tough economic climate and yet the decisions we're making, yes, of course they're being made to make the business emerge stronger from the current climate. But at the same time they're being made against the background of the family's values, if you like, or our values here as a business. I think that if we were a publicly quoted company the decisions we would make would be influenced in an entirely different way and would therefore be different. (I1.2, R2)

Very hard-working. People work very hard here, and there's an expectation that people will work hard here. People are very loyal to the company, and I think the company is loyal back to its Employees. You feel part of something bigger ... part of something bigger, almost, than a company. Very fair, and quite straight ... yes. And kind, I suppose, in its own way. I mean, I think it is kind of a kind company as well. (I22, R2)

We're a very forward-thinking and progressive company and we play well above our weight ... Because of the way the company conducts its business, it's a good place to work but there's always a challenge. Like it's a company ... in order for us to be progressive, everybody in the company is always challenged and that's the kind of company it is. Like the people who get on here are those kind of people and like you see it over a number of years. You see somebody coming in and move through the business.

Like it's a very progressive company. They challenge their people but ultimately it's a good place to work and that's what ... I suppose the combination of that is why we're able to punch above our weight. (I21, R2)

There's no doubt about it, the professionalism ... excuse me, the want to constantly push forward. It's always about challenge and challenging yourself to do better. (I19, R2)

I do think it's a tough company, yes. It's a tough company because it needs to be, just because of what you said, it's in a tough industry and it wants to be successful, so there needs to be a set major, a commercial toughness to how it does its business to make sure it is successful. (I15, R2)

The values around honesty, long-term relationships, not been greedy, working hard, innovation all these sort of things and they actually go right down into our performance review where you're scored on your outputs and so on. However, there is a question for the manager that no matter how well you have delivered to the business if you have delivered in a way that doesn't agree with the company values you will not move on. So you may have delivered amazing sales but if you have done it on the back of somebody else's work and not given them the credit or if you've been underhand in anyway it's not acceptable, and it's the same with people in trading. On one hand they're pushing for the best price, on the other hand they can push so hard that they push people out of business. So it's all about getting the balance right in the long-term relationship, and you are expected to live the values and you are, it is, it really is through everything you do the whole honesty and integrity piece, you know. (I14, R2)

They have got tougher, they've sharpened their teeth ... They have got tougher against their suppliers, you know, to try and become more competitive. You know, there was a lot of areas where they were out of line, compared to competitor pricing, compared to what you'd get out there on the market, you know. And there's been a lot of work done on that. There's a lot more work to be done but it has got a lot better. (I18, R2)

But also on the other side of that we're actually quite a reserved company and we're quite humble in that we don't ... we're not the best at PR pizzazz. We're, kind of, quiet but we're doers, if you know what I mean. I don't know if that makes sense to you. So I think maybe you might have come across that in your dealings with the other companies. So CC, we're never going to be out there shouting about look what we do. We're more let's do it. Let's support 30,000 Irish jobs. Let's make sure that, you know, we buy 75% of our products from local Irish suppliers. Let's ... you know, it's a bit of a ... what's the word, contradiction, I suppose really, but when you talk to people about the company we're very passionate. We're very ambitious. We're very hard working. We love what we do and we're very committed so ... (I12, R2)

As a business we're quietly determined and we're very ambitious and we will get there. (I12, R2)

Long-Term Perspective

It [taking a long-term view] is the one single biggest fundamental reason for CC's success, above anything else, it and its people. And there is absolutely, there is no debate or argument to it. A long-term view and it's people ... We have never had any requests for capital shot down because of the length of return on investment, ever. Never. (I6, R1)

All this starts in CCs with a passion about something. CCs tend to be a passionate business. Retailing is a bit passionate anyway, no matter where you are. And if CCs have a passion for something, it usually works. You know, and in fairness to the business there are things that we have had a passion about even from a business imperative, and a payback period could be twenty years. But if we passionately believe that that is the long-term fix for our business, we will actually stick with it once we have the passion ...

So we passionately usually believe in what we do. And usually there is a financial reward at the end of it, and that's not a bad thing because that makes you passionate about something else that's good. (I6, R1)

I suppose, given the type of company CC is, we focus very much on long-term decisions as opposed to short-term decisions. So, like, we could take ... if we can do something to ensure our sustainability over the long-term, CC, as a company, we'll tend to do that, whereas these companies that are listed on the stock exchange have to report to shareholders, they might be much more focused on short-term. They wouldn't have from the finance perspective and sustainability, they wouldn't take the same options that we would often take, I think. (I21, R2)

The company will take a long-term decision and like that comes down to the fact that it's not shareholders, not a bunch of shareholders saying that we need to hit X profit number. Do you know what I mean? We don't like, profit is stepping backwards but the family, they realise that. They know exactly why it is happening and I ... It mightn't be ... the step-back mightn't as bad if we took short-term decisions but the company ... the idea is to take long-term decisions and it'll pay ... it will benefit over the longer-term. (I21, R2)

I think their commitment to the long-term is probably something ... maybe that's because of the work I'm doing at the moment with retailers. I think the long-term strategy is something that has struck me recently, particularly when they started the X stores. There was no money to be made in that for a good ten, 15 years, but they stuck with it and, you know, became Y. And now, you know, it's that commitment to putting in the work for the long-term gain of the company. (I22, R2)

In fairness to CC I suppose one benefit of being the family business that they are is they're not subject to these short term demands of investors. So they can afford to take a long picture and they usually do, and they work through, they look at the where best to invest, but they're not going to pull money away from something that has long-term benefits. So I suppose in that respect they do think long-term, they do plan. If it's part of the strategy it's allowed for, it'll maybe cause them a bit of pain, but it's for something they want to roll out and get benefits from. (I14,R2)

Appendix H: Overview of Social and Environmental Activities and Projects Implemented between 1998 and 2006

Year	Social and Environmental Events/Projects	Policies	Reports
1998	<ol style="list-style-type: none"> 1. Appointment of external environmental consultants 2. Establishment of franchise environmental action team 		
1999	<ol style="list-style-type: none"> 1. Initiation of environmental process 2. Introduction of environmental items on the agendas of business meetings and forums. 3. Baseline environmental review of 23 Irish premises (4 distribution centres and 19 large stores) 		
2000	<ol style="list-style-type: none"> 1. Environmental action team address the retailers' councils on environmental risk management, waste management, packaging regulations and training 2. Consultation with retailers, suppliers and staff members on the Environmental Charter 3. Environmental training for staff and franchisees: <ul style="list-style-type: none"> o One day environmental management training course on the company training schedule o Environmental management module in the Retail Management Diploma (delivered with Dublin Institute of Technology) 4. Waste characterisation project at two distribution centres and five stores 5. Introduction of waste segregation at two distribution centres and an estimated 20% of stores 6. Waste management rooms a standard feature of new store design 7. Increase number of public recycling banks at CCRPI and store premises 8. Launch of road safety campaign 9. Dual-fuel cars added to fleet car list 10. Closed loop washing system for fleet cleaning 11. Introduction of backhauling system for chill deliveries between two depots 12. Paperless trading via EDI 13. Introduction of re-usable plastic crates to replace card and shrink-warp packaging 14. Introduction of degradable plastic bags in ROI stores 15. Acoustic assessments of haulage operations and construction of acoustic barriers at two depots 16. Elimination of CFC refrigerants 17. Plate heat exchanger technology fitted as standard on refrigeration systems in stores 18. Newer stores fitted with reverse cycle heat pump technology in air-conditioning units 19. Wood product sourcing policies included in store design criteria 	Corporate Environmental Charter	

Year	Social and Environmental Events/Projects	Policies	Reports
	20. Environmental criteria in lighting specification for stores 21. Inclusion of environmental checks in store audits		
2001	1. Hosting of Sustainable Construction workshop in May 2001 2. Environmental Communication Projects: <ul style="list-style-type: none"> o Communication of the CC Environmental Charter to local authorities, retailers, employees, suppliers, consumer groups and the media o Distribution of schools environmental information leaflet in Cork and Munster o Participation in Irish Government’s “It’s Easy to Make a Difference” campaign o Regular press releases on environmental initiatives o Set up of environmental notice boards o 13 major environmental presentations 3. Development of bespoke environmental training course and manual for business managers and retailers 4. Piloting of environmental training course 5. Three-year sponsorship of Action Cancer Mobile Detection Unit (NI) 6. Energy benchmarking for some retailers 7. Increased backhauling in the Chill department 8. Introduction of voltage protection system in new tractor units 9. Feasibility study of LPG delivery trucks 10. New recycling processes for IT equipment and printer cartridges 11. Survey of organic produce available in ROI stores. 12. Audit of own brand products compliance with EU GM labelling regulation. 13. Reformulation of own brand products to omit any GM content. 14. Sponsorship of The Organic Centre in Co. Leitrim. 15. Green purchasing of IT equipment.		Environmental Report 2001
2002	1. KPIs for the environmental action teams: <ul style="list-style-type: none"> • Group waste recycled • Office waste recycling • Environmental action team meeting attendance • Participation in environmental training • Availability of one-stop-shop waste management services • Waste contract participation 2. Inclusion of environmental measures in the supplier Code of Practice 3. Hosted a Greening the Supply Chain conference with 68 suppliers 4. Award of EPA grant for ecolabel feasibility study		Environmental Report 2002 – GRI compliant and independently assured

Year	Social and Environmental Events/Projects	Policies	Reports
	<ol style="list-style-type: none"> 5. Driver training in reduced fuel consumption and safety for 85 drivers in June 2002 6. Public Attitudes Survey on the role and importance of environmental issues in grocery retailing 7. Publication of Group Environmental newsletter to retailers 8. Introduction of regional one-stop-waste contract 9. Establishment of NI's environmental action team 10. Participation in the GRI's Assurance Working Group from January to April 2002 (one of only three reporting organisations to do so) 11. Initiated office paper recycling for franchise head office 12. Staff transport survey 		
2003	<ol style="list-style-type: none"> 1. Appointment of Group environmental executive 2. Establishment of wholesale and UK environmental action teams 3. Sign up to the UN Global Compact (first company in Ireland to do so) 4. Energy audit at wholesale premises 5. Extension of one-shop-waste contracts in ROI and NI facilities 6. Establishment of staff recycling service in franchise division's head office 7. Introduction of new route planning software 8. Installation of in-store energy monitoring equipment 9. NI division sign up to a Retailers Charter to support the Environment and Heritage Services Wake up to Waste campaign 10. Launch of healthy eating campaign and leaflets 11. Established Triathlon to raise funds for an Irish Children's hospital and the Irish Cancer Society. 12. Donation to Civic Trust project to restore historically significant building 13. UK's healthy eating campaign 		<p style="text-align: center;">Environmental and Social Accountability Report 2002-2003 – GRI compliant and independently assured</p>
2004	<ol style="list-style-type: none"> 1. New energy contract for 500 stores and Group facilities with 'greener' energy provider in 2004 2. Update of retailers' building contracts to ensure that stores are designed to operate at maximum energy efficiency 3. New schools' sports process launched with the Irish Sports Council. 4. Design of sustainable head office 		
2005	<ol style="list-style-type: none"> 1. Construction of sustainable head office incorporating the following design features: <ul style="list-style-type: none"> • Alignment of the building to make best use of available shelter from the prevailing south-westerly winds • Increased insulation thicknesses in exterior cladding and high specification double glazing to reduce solar gain in summer and heat losses in winter • Internal layout of the building and the use of a central atrium so as to maximise the use of ambient daylight 		

Year	Social and Environmental Events/Projects	Policies	Reports
	<ul style="list-style-type: none"> • A Geothermal Heating Ventilation and Air-conditioning (HVAC) System, accessing renewable solar energy contained in ground water on site • A solar water heating system incorporating roof mounted panels to provide all of the building's hot water needs • An intelligent automatic lighting system, including occupancy sensors, daylight level sensors and energy efficient fittings and lamps • A building energy management system to optimise energy usage and operational performance <ol style="list-style-type: none"> 2. Energy scoping surveys in ROI and NI facilities 3. Additional electricity meters in installed in the surveyed facilities allowing weekly and monthly reports of electricity usage for each site 4. Nominated Energy Champion in each facility 5. Energy Bureau office in ROI 6. Full time energy manager in UK 		
2006	<ol style="list-style-type: none"> 1. Stakeholder Consultation on Materiality 2. Indirect economic impact assessment for Navan, Co. Meath 3. Introduction of biodiesel for UK logistics fleet 4. Study of top own brand lines for packaging reduction opportunities 5. Engaging with the UK's WRAP campaign and signing up to the Courtauld Commitment 6. UK project to remove intensively farmed eggs, hydrogenated fats and unnecessary and/or controversial additives from their own –label range 7. Food labelling project 8. Communicating and implementing ethical trading policy to purchasing and supply chain teams and suppliers 9. Launch of Kids in Action project in ROI 10. Development of a food waste management system in 2006 and 2007 with an outside contractor – FSM Limited 	<p>Externally Published Policies:</p> <ul style="list-style-type: none"> • Energy and Natural Resources • Ethical Trading Policy • Environmental and Social Accountability Policy 	<p>Sustainability Report 2006 – GRI compliant and independently assured</p>

Appendix I: Overview of Sustainability Activities and Projects Implemented between 2007 and 2013

Year	Social and Environmental Events/Projects	Policies	Reports
2007	<ol style="list-style-type: none"> 1. Five-year sustainability strategy and targets 2. Integration of targets into existing KPI and performance management systems. 3. Disbanding of environmental action teams 4. Appointment of divisional board champions 5. Support of First Sale process with Enterprise Ireland and Bord Bia for start-up companies in 2007 (€2 million in sales) 	<p>Internal Policies:</p> <ul style="list-style-type: none"> • Being a Good Neighbour Policy • Consumer Choice Policy • Energy and Emissions (Buildings) Policy • Energy and Emissions (Transport) Policy • Packaging Policy • Regulatory Compliance Policy • Waste Management Policy 	
2008	<ol style="list-style-type: none"> 1. Detailed sourcing policies for all own-label products 2. Franchise division's office building constructed with <ol style="list-style-type: none"> a. geothermal system b. solar water heating technology c. lighting control systems, including occupancy detection sensors and daylight compensation auto-dimming systems 3. New eco-store in Ennistymon in Co.Clare 4. Centralised data capture and management system to record the amount and type of energy used throughout the building stock 5. Packaging reduction and optimisation project for own-brand fresh food supply chain 6. Review of alternative technologies for chilling trailers 		Sustainability Report 2008 – GRI compliant and independently assured
2009			
2010	<ol style="list-style-type: none"> 1. GPRS system installed in 50 trucks in 2010 to monitor driver performance 2. Extension of green electricity contract to all ROI facilities in March 2010 3. 300 retailers participated in Energy Map course 4. Register of opportunities to identify, evaluate and track the implementation of sustainable technologies across the company 5. Established a fraud hotline 		Web-based Sustainability Report 2010 – GRI compliant Sustainability Report Key Facts 2010

Year	Social and Environmental Events/Projects	Policies	Reports
2011	1. Water usage research		Communication on Progress (UN Global Compact) Communication on Progress 2011: Performance Update
2012	1. Process for merging environmental activities and processes across the Group		Web-based Sustainability Report Key Facts
2013	1. New sustainability targets for the 2013 to 2017 cycle		Communication on Progress 2013

Samenvattend Hoofdstuk (Dutch Summary Chapter)

Door het kijkglas: De opkomst, evolutie en verankering van duurzaamheidsboekhouding in een familiebedrijf

Inleiding

Een snel stijgend aantal maatschappijen beweert dat ze zorgen inzake duurzaamheid in hun strategische en operationele besluitvormingsprocessen integreren (Thomas and Lamm, 2012) and dat ze bezig zijn verklaringen en relazen in verband met duurzaamheid te produceren (Gray, 2010). Het intern wettigen en verankeren van nieuwe duurzaamheidsactiviteiten (met inbegrip van boekhouding in verband met duurzaamheid) is binnen een organisatie echter een uitdagend, complex en een onvoldoende onderzocht proces (Thomas & Lamm, 2012; Frandsen et al., 2013; Contrafatto, 2014). Het hoofddoel van deze studie is gericht op de ontwikkeling van een empirisch en theoretisch begrip van hoe en waarom een programma, met inbegrip van duurzaamheid inzake boekhouding, is opgedoken, zich heeft ontwikkeld en gedeeltelijk zich binnen een grote commerciële organisatie heeft verankerd. Specifiek, is het de bedoeling van deze studie een begrip te verschaffen van de wisselwerking tussen verschillende aspecten van het duurzaamheidsprogramma en de interacties tussen het programma en het interne legitimatieproces van een organisatie.

De betreffende organisatie, de CC Group, is een grote Ierse familiegroep van bedrijven die in een snel veranderlijke industrie van consumptiegoederen (FMCG) optreedt. Dit onderzoek, dat gebaseerd is op een longitudinaal geval, traceert de opkomst en ontwikkeling van de duurzaamheidsactiviteiten van de groep tussen 1998 en 2012. De groep startte de ontwikkeling van zijn milieubeheerssysteem, met inbegrip van boekhoudingspraktijken i.v.m. milieubeheer, in 1998 en publiceerde zijn eerste losstaande milieurapport verscheidene jaren later. Het had geen enkele bestaande expertise op dit gebied en er bestonden slechts enkele precedentes (in Ierse context) die men kon volgen. De omgang met milieubeheer had betrekking op nieuwe (voor de groep) technologieën en de resultaten werden door hooggeplaatste leden van de groep als onzeker en riskant waargenomen. Er bestond weinig actieve interne ondersteuning voor de nieuwe activiteiten: "niemand had er eigenlijke

interesse voor" (I6, R1). Maar de interne ondersteuning voor het milieubeheerssysteem is echter na verloop van tijd toegenomen en werd doorheen de CC groep verankerd en verspreid. Het werd afgestemd op de langdurige activiteiten van verantwoord ondernemen (CSR) en zo is een duurzaamheidsprogramma opgedoken. Dit proces wordt nu gezien als een onderdeel van het DNA van de groep en heeft de recente economische crisis in Ierland grotendeels ongedeerd weerstaan. Als onderdeel van dit algemeen duurzaamheidsprogramma heeft de boekhouding inzake milieubeheer zich binnen de groep verankerd. Echter, naarmate het duurzaamheidsprogramma interne ondersteuning voor rapportage op basis van GRI ontwikkelde, zijn onafhankelijk gewaarborgde duurzaamheidsrapporten verdwenen. De omvang van de rapporten is vanaf 2006 afgenomen en het laatste rapport conform GRI werd in 2010 gepubliceerd.

Onderzoeksopzet en -vragen

De studie werd vanaf het begin door een open onderzoeksopzet (Berry and Otley, 2004, p. 235) gemotiveerd om de opkomst, evolutie en verankering van een duurzaamheidsprogramma binnen de CC groep te bewijzen, begrijpen en verklaren. Hieruit voortvloeiend, richt de studie zich op de volgende onderzoeksvragen

1. Waarom en hoe is een EMS [milieubeheerssysteem] tussen 1998 en 2003 in de CC groep naar voren gekomen en ontwikkeld?
2. Waarom en hoe heeft een duurzaamheidsprogramma zich tussen 2003 en 2012 ontwikkeld en verankerd?
3. Waarom en hoe is externe duurzaamheidsrapportage tussen 2001 en 2012 gegroeid en vervolgens afgenomen?

Deze onderzoeksvragen worden aangepakt door de opkomst, evolutie en verankering van deze activiteiten en het programma binnen de CC groep tussen 1998 en 2012 te traceren.

Theoretisch kader

De studie mobiliseert twee theoretische concepten - OI (organisatorische identiteit) en interne legitimiteit van het programma. Ten behoeve van deze studie werd OI bedacht als zijnde een verzameling van identiteitsbeweringen, een vastgestelde identiteit en lopend identiteitswerk om deze beweringen vast te leggen of aan te houden. Identiteitsbeweringen zijn verklaringen

over de kern-, duurzame en onderscheidende kenmerken van een organisatie. Een vastgestelde IO bestaat uit de beweringen die door een organisatie worden aangewend in sociale interactie en kan na verloop van tijd en met het betrokken publiek en organisatielid variëren. Identiteitswerk heeft betrekking op het lopend onderhoud, reconstructie of regeling van OI in volgroeide organisaties (Gioia et al., 2010; Pratt, 2012). De legitimiteit van een intern programma of proces wordt gezien als een lopende reeks van individuele en sociale processen die zich uiten in een blijkbaar collectieve aanvaarding door organisatieleden dat een organisatorisch programma in zekere mate gewenst, toepasselijk of gepast is binnen het kader van normen, waarden en opvattingen binnen de organisatie. Via deze concepten tracht de studie bewijs, begrip en een verklaring te vinden voor de opkomst, evolutie en (gedeeltelijke) verankering van nieuw organisatorische activiteiten en hun evolutie tot een nieuw organisatorisch programma tussen 1998 en 2012.

OI is belangrijk voor het begrip van de richting en doorzettingsvermogen van zowel individuele en organisatorische actie (kijk bijvoorbeeld naar Dutton and Dukerich, 1991; Gioia and Chittipeddi, 1991; Gioia and Thomas, 1996; Albert et al., 2000; Ravasi and Schultz, 2006; Brickson, 2007; Nag et al., 2007; Basu and Palazzo, 2008). OI-beweringen kunnen door organisatieleden gebruikt worden om interne of externe problemen te filteren en erop te reageren (Dutton and Dukerich, 1991; Dutton et al., 1994). In samenhang hiermee kan OI-werk gebruikt worden om het nieuw proces te relateren aan "wie zijn we, wie zijn we geweest en wie wensen we te worden" als een organisatie hetgeen erg motiverend kan zijn voor organisatieleden (Gioia et al., 2000; Gioia and Patvardham, 2012; Pratt, 2012; Kodeih and Greenwood, 2014). Bovendien is OI-werk is ingrijpend in de zin dat het bepaalde stappen meer aannemelijk, verantwoord of aanvaardbaar kan maken (Mueller and Whittle, 2012). Interne legitimiteit speelt ook een belangrijke rol bij de aanvaarding van nieuwe activiteiten en processen binnen een individuele organisatie. Interne organisatieleden (directeurs, managers en werknemers) maken hun eigen evaluaties inzake legitimiteit over hun organisatie en haar activiteiten die hun mate van inzet voor die organisatie of activiteit beïnvloeden (Elsbach, 1994; Ruef and Scott, 1998, p. 880). Recent werk (Bridwell-Mitchell and Mezas, 2012; Brown and Toyoki, 2013) stelt voor dat er overlappingen bestaan tussen de twee concepten die men moet overwegen wanneer men tracht te begrijpen hoe nieuwe organisatorische activiteiten zich ontwikkelen en verankeren. Bijgevolg worden zowel OI en legitimiteit van een intern programma binnen deze studies gemobiliseerd als onderdeel van

een interpretatieve gids om vast te leggen en te begrijpen hoe een nieuw (duurzaamheids-)programma zich binnen een organisatie ontplooit.

Onderzoeksmethoden

De studie neemt een interpretatieve aanpak aan om de opkomst van het duurzaamheidsprogramma na verloop van tijd binnen specifieke organisatorische context te beoordelen. Interpretatief onderzoek streeft ernaar "een holistische focus aan te houden waarbij gevallen worden benadrukt als zijnde complexe entiteiten en beklemtoont het belang van context" (Della Porta and Keating, 2008, p. 30). Het onderzoeksproces voor de studie heeft kwalitatieve methoden toegepast als onderdeel van een open longitudinale bevraging met de bedoeling rijke, gedetailleerde en evocatieve gegevens te verkrijgen (Edmondson and McManus, 2007), om zo inzicht te verschaffen in de betrokkenheid met duurzaamheid van de CC groep. Deze iteratieve aanpak om ontwerp, gegevensverzameling en analyse te onderzoeken, en om de theoretische grondlegging voor de studie te ontwikkelen heeft het aanvankelijk open onderzoeksdoel van het project en de brede doelstelling van begrip hoe deze betrokkenheid zich had ontplooit, ondersteund (Edmondson and McManus, 2007). De voornaamste gegevensbronnen voor de case study waren de 27 semi-gestructureerde interviews die werden uitgevoerd met tal van organisatieleden en nauw verbonden belanghebbenden (familiedirecteuren en kleinhandelaars) en de duurzaamheidsrapporten die tussen 2001 en 2012 werden gepubliceerd. Deze werden met bijkomstige documentaire analyse en veldbezoeken aangevuld.

De externe duurzaamheidsrapporten verschaften een formeel relaas dat verklaarde hoe het bedrijf gemotiveerd is om de duurzaamheid en een kroniek van gebeurtenissen aan te spreken (Pentland, 1999). De rapporten werden gezien als een bron van relaas over het duurzaamheidsprogramma en een bron die slechts beperkt inzicht in de organisatorische context kan verschaffen waarin het proces naar voren was gekomen en zich had ontwikkeld. De groepsleden werden gezien als deskundige vertegenwoordigers die hun acties, ervaringen, gedachten en intenties konden verklaren en retrospectieve en real-time relazen kunnen geven van de opkomst en evolutie van het duurzaamheidsprogramma, hun percepties van het proces en bredere percepties van de CC groep (Gioia et al., 2012). De analyse, interpretatie en data- en literatuurgestuurde (Langley, 1999) theorievorming van deze twee gegevensbronnen is

erop gericht een rijk en contextspecifiek begrip van de ontwikkeling van het duurzaamheidsprogramma te verschaffen.

Onderzoeksbijdragen

Dit onderzoek maakt een aantal empirische en theoretische bijdragen aan de literatuur over organisatorische duurzaamheid en boekhouding voor duurzaamheid. Ten eerste, de studie verschaft een holistisch en longitudinaal beeld van de ontwikkeling van een duurzaamheidsprogramma en verwante boekhouding in een familiebedrijf. De studie draagt daarbij toe aan ons begrip van *waarom* en *hoe* deze activiteiten naar voren komen, zich ontwikkelen en (gedeeltelijk) in een organisatie verankerd worden. Bij de beoordeling waarom boekhouding inzake milieubeheer en vrijwillige externe rapportage naar voren zijn gekomen, draagt de studie ook bij aan de kleine maar groeiende literatuur (Bebbington et al. 2009 and Lodhia and Jacobs 2013; Contrafatto 2014; Belal and Owen, 2015) die een meer gedetailleerd, volledig en genuanceerd beeld verschaft van de drijfveren van dit soort boekhouding en rapportage (O'Dwyer, 2002). Het reageert daarom op het verzoek van Hopwood (2009, p. 437) voor gedetailleerde case studies die de variëteit van drijfveren onderzoeken die bij de (niet-)productie van accounts in milieubeheer en betreffende duurzaamheid betrokken zijn.

Bovendien hebben slechts een klein aantal studies (zie, bijvoorbeeld, O'Dwyer, 2005a; Contrafatto, 2014; Belal and Owen, 2015) expliciet zich gericht op *hoe* de boekhouding voor duurzaamheid zich in specifieke organisatorische contexten ontwikkelt. Doch zijn dit soort studies noodzakelijk om het potentieel van dit soort boekhouding en boekhouding in bredere zin te begrijpen en evalueren om een transformatieve wijziging in onze gedachtegang en zakendoen te bevorderen (Contrafatto, 2014). Anders gezegd, verschaft deze studie inzicht in de uiteenlopende interne legitimatie en evolutie van het boekhoudingssysteem inzake milieubeheer en vrijwillige duurzaamheidsrapportage op basis van GRI. Het toont aan hoe, naarmate het duurzaamheidsprogramma zich binnen het bedrijf in kwestie heeft ontwikkeld, boekhouding inzake milieubeheer een integraal deel van het milieubeheerssysteem en later het duurzaamheidsprogramma is geworden, maar interne ondersteuning voor de rapportage is verdwenen. De holistische overweging van de evolutie van zowel boekhouding inzake milieubeheer als externe rapport als onderdeel van de opkomst van een duurzaamheidsprogramma vertegenwoordigt een opmerkelijke afscheiding van de

voorgaande literatuur over boekhouding inzake duurzaamheid. Deze literatuur werd bekritiseerd wegens ontkoppeling van boekhoudingsrelazen over duurzaamheid in externe bedrijfsrapporten van de acties en inacties van de organisatie rondom duurzaamheid (Bebbington and Larrinaga, 2014) en deze studie reageert rechtstreeks op het verzoek van Contrafatto (2014) voor meer diepgaand en duurzaam onderzoek op dat gebied. Bovendien accentueert deze studie het werk van Belal and Owen (2015) die voorstellen dat vrijwillige duurzaamheidsrapportage kan stoppen wanneer het gezien wordt als strijdig zijnde met de fundamentele economische belangen van de rapporterende organisatie aangezien de analyse van deze studie aantoont dat vormen van vrijwillige rapportage kunnen stoppen wanneer zo'n conflict niet bestaat.

De studie onderzoekt ook de rol die door belangrijke deelnemers (een leidinggevende in milieu binnen de groep en een externe consultant) speelden in het duurzaamheidsprogramma en de studie ondersteunt daarbij het belang dat door Bouten and Hoozée (2013) en Contrafatto (2014) wordt toegekend aan individuele organisatorische acteurs in de vastlegging van nieuwe milieuwerkzaamheden. Bovendien verschaft het relaas inzicht in de aard van de rollen die door de belangrijke deelnemers worden gespeeld bij het streven naar legitimatie van interne doelgroepen en invloedrijke belanghebbenden (eigenaars en franchisenemers) en bij de (her)evaluatie en (her)selectie welke activiteiten ze zelf actief ondersteunen.

Op theoretisch niveau accentueert de studie ook het beperkte werk (in het bijzonder het werk van Bridwell-Mitchell and Mezias, 2012; Brown and Toyoki, 2013) dat heeft getracht de relatie tussen IO en interne legitimiteit te onderzoeken. De studie ondersteunt het argument van Bridwell-Mitchell and Mezias (2012) dat de vastlegging van cognitieve legitimiteit, in het bijzonder begrijpelijkheid, een belangrijker rol speelt in de opkomst en legitimatie van nieuwe activiteiten *binnen* een *bestaande* organisatie dan voorheen werd overwogen. Bovendien benadrukt de studie de rol van het legitimerend praten over identiteit van de individuen (Brown and Toyoki, 2013) als een belangrijk mechanisme om begrijpelijkheid tijdens de initiële of preliminaire legitimatie van opkomende organisatorische activiteiten vast te leggen. De studie toont ook aan hoe de processen van IO en interne legitimatie via dit mechanisme op permanent basis overlappen.

About the Author

Rebecca Maughan was born in 1978 in Ballinasloe, Co. Galway, Ireland. She completed her undergraduate (BComm) and master's (MAcc) level education at UCD between 1996 and 2000. She is also a member of the Chartered Accountants in Ireland, having qualified in 2004. Rebecca holds a post as a lecturer in accountancy at University College Dublin (UCD). She teaches a number of undergraduate and postgraduate courses, including Management Accounting and Management Control Systems. Prior to her appointment in UCD, she was a lecturer at the School of Business, Dublin Institute of Technology (DIT) for nine years. During her time at DIT, she designed and delivered courses in financial accounting and reporting, audit, corporate governance and ethics, CSR (corporate social responsibility) and taxation, and supervised the dissertation research of over 30 MSc students in a variety of accounting, audit, taxation and corporate responsibility related topics. She was also one of five principal investigators who established the Business, Society and Sustainability research centre and was a member of the College of Business Research Committee. She has jointly or solely organised a number of research events in the area of sustainability; these include a symposium on “A Demand-oriented Perspective on Sustainability” in April 2008 and a workshop on Social and Environmental Accounting (in conjunction with the IAFA and the ACCA) in November 2005.

Rebecca began her PhD, part-time, in the accounting section of the University of Amsterdam Business School (UvABS) in 2006. Throughout her PhD, she presented her research at a number of international and Irish conferences (detailed in Appendix F). Her research has gained national recognition; this includes being the recipient of the Irish Accounting and Finance Association doctoral scholarship in 2010 and an Irish Research Council New Foundations grant in 2012. She has jointly or solely published several book chapters and articles in professional journals on topics related to this thesis between 2007 and 2012.