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Through the looking glass

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

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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.

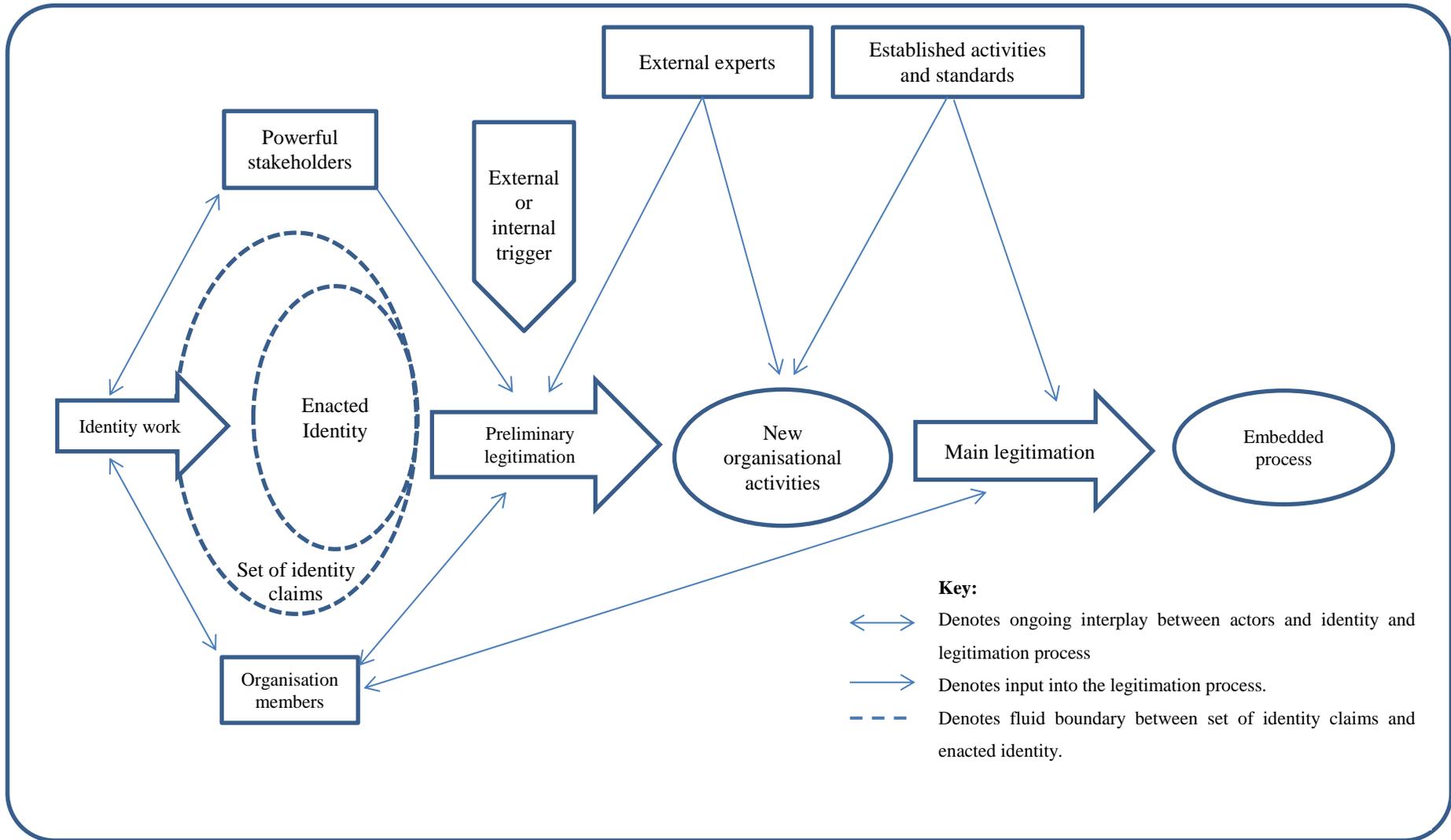
10.2 Case Discussion

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 Mezas, 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 legitimisation 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 legitimisation 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 legitimisation 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.