UNIVERSITY OF AMSTERDAM

UvA-DARE (Digital Academic Repository)

Through the looking glass

Maughan, R.

Link to publication

Citation for published version (APA):
Maughan, R. (2017). Through the looking glass: The emergence, evolution and embedding of sustainability accounting in a family business

General rights
It is not permitted to download or to forward/distribute the text or part of it without the consent of the author(s) and/or copyright holder(s), other than for strictly personal, individual use, unless the work is under an open content license (like Creative Commons).

Disclaimer/Complaints regulations
If you believe that digital publication of certain material infringes any of your rights or (privacy) interests, please let the Library know, stating your reasons. In case of a legitimate complaint, the Library will make the material inaccessible and/or remove it from the website. Please Ask the Library: http://uba.uva.nl/en/contact, or a letter to: Library of the University of Amsterdam, Secretariat, Singel 425, 1012 WP Amsterdam, The Netherlands. You will be contacted as soon as possible.

UvA-DARE is a service provided by the library of the University of Amsterdam (http://dare.uva.nl)

Download date: 21 Feb 2018

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

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,

in het openbaar te verdedigen in de Agnietenkapel

op dinsdag 12 september 2017, te 10.00 uur

door

Rebecca Maughan

geboren te Galway, Ierland

Promotiecommissie

Promotor:	Prof. dr. B.G.D. O'Dwyer, Universiteit van Amsterdam
Copromoter:	Dr. ir. S. van Triest, Universiteit van Amsterdam
Overige leden:	Prof. dr. J. Bebbington, University of St. Andrews, UK
	Prof. dr. C. Larrinaga, Universidad de Burgos, Spain
	Prof. dr. I. Thomson, University of Birmingham, UK
	Prof. dr. J. Unerman, University of London, UK
	Prof. dr. F.H.M. Verbeeten, Universiteit Utrecht
	Prof. dr. M.J.F. Wouters, Universiteit van Amsterdam

Faculteit der Economie en Bedrijfskunde

Acknowledgements

It is a great privilege to have the opportunity to pursue a PhD. I am very grateful to my supervisor, family, colleagues and friends, who, in different ways, have all helped to create this opportunity for me.

At the start of my doctoral studies I was fortunate to cross paths with an outstanding academic, Prof. Brendan O'Dwyer, whose tremendous value as a supervisor is matched by his integrity and kindness as a person. Thank you for your unique blend of patience, encouragement and support combined with objective, honest and expert guidance. Working with you has been an enriching and enlightening experience. I am deeply indebted to you for the time and energy you devoted to this process.

This study would not have been possible without the co-operation of the interviewees and their organisations, in particular the CC Group. I would like to warmly thank you for your participation, for liberally giving of your time and expertise and for welcoming me into your organisations.

My current and former colleagues in UCD and DIT have been generous and constant with their words of encouragement and advice. A special note of thanks goes to Prof. Joseph Coughlan, who embodies the best qualities of a mentor. Many thanks to Prof. Niamh Brennan, Dr. Mary Canning, Prof. Aileen Pierce, Dr. Gerardine Doyle, Dr. Kate Cullen, Dr. Collette Kirwan, Dr. John McCallig and Dr. Esther Tippmann for tea, empathy and helpful suggestions, and to Catherine Allen and Christine Walsh for their moral and practical support. Warmest thanks also to Prof. Eamonn Walsh for his support as head of subject area.

I would like to acknowledge the support of the broader Irish and international academic accounting community. In particular, I would like to thank the members of the Centre for Social and Environmental Accounting and the Irish Accounting and Finance Association (IAFA) for their support and constructive comments. Funding from both the IAFA doctoral scholarship scheme and the Irish Research Council is also gratefully acknowledged.

Thank you to my family and friends for their love, loyalty, support and patience. It is impossible to express just how grateful I am to my Mum and Dad, Paul and Mary, and my sisters Debbie, Jenny and Katie, for a lifetime of love, encouragement and support. Thank you for being all that I could ask for from a family. I am fortunate to also have the love and support of my family-in-law, thank you all for your kindness and encouragement. Particular thanks to my mother-in-law, Judith Maughan, for giving me a quiet space to retreat to and for the loan of her faithful companions, Teddy and Apple, to keep me company during the write-up of this thesis.

Finally and most importantly, thank you to my inspirational husband, Alan, and our children Matthew and Naomi. Alan, thank you for your unwavering love and support and, amongst many other things, for having faith in me, when at times I had none in myself. On a practical note, thank you for being an excellent proof-reader and graphic genius. Matthew and Naomi, thank you for making my world meaningful and filling it with love, joy, happiness and fun. Mum is finally finished writing her book!

Dedication

For Alan, Matthew and Naomi, with love.

Table of Contents

Abstract xii

List of Acronyms xiii

List of Tables xiv

List of Figures xv

Chapter 1: Introduction 1

1.1 Research Intent and Questions 3

1.2 Theoretical Framework 4

1.3 Research Methods 5

1.4 Research Contributions 6

1.5 Thesis Structure 7

Chapter 2: Literature Review 10

2.1 Introduction 10

2.2 Conceptualising Sustainability 10

2.2.1 Organisational Sustainability 10

2.2.2 Accounting for Sustainability 12

2.3 The Emergence, Evolution and Embedding of Sustainability Accounting 13

2.3.1 The Emergence of External Sustainability Reporting 13

2.3.2 Diversity in Corporate Sustainability Reporting 15

2.3.3 Engagement-based Studies of Sustainability Accounting 17

2.4 Chapter Summary 21

Chapter 3: Theoretical Framework 22

3.1 Introduction 22

3.2 Organisational Identity 22

3.2.1 Conceptualising Organisational Identity 23

3.2.2 Identity as Process and Claims 28

3.2.3 Mobilisation of Organisational Identity for this Study 29

3.3 Legitimacy 29
3.3.1 Types of Legitimacy 30
3.3.2 Legitimation Strategies 32
3.3.3 Conceptualising Internal Legitimacy 34
3.3.4 The Relationship between Organisational Identity and Internal Legitimacy 37
3.4 Chapter Summary 39
Chapter 4: Research Methodology and Methods 41
4.1 Introduction 41
4.2 Philosophy of Research 42
4.2.1 The Role of Theory in Interpretivist Research 44
4.3 Case Study Method 45
4.3.1 Case Site Selection 46
4.4 Research Intent 48
4.4.1 Research Objectives and Questions 49
4.5 Research Process 50
4.5.1 Phase One: Research Design 50
4.5.2 Phase Two: Data Collection and Analysis 52
4.5.3 Phase Three: Feedback and Revision 55
4.5.4 Phase Four: Data Collection and Analysis 56
4.5.5 Phase Five: Feedback and Revision 58
4.5.6 Phase Six: Final Data Review, Analysis and Write Up 58
4.6 Chapter Summary 59
Chapter 5: Case Context and Introduction to the Case Findings 67
5.1 Introduction 67
5.2 The Irish Corporate Responsibility Landscape 67
5.2.1 Voluntary Corporate Engagement 68

5.2.2 Voluntary Reporting 69
5.2.3 Community-Based and Multiple Models of Retailing 69
5.3 Case Site Review 71
5.3.1 Company and Family Governance 71
5.3.2 Current Operations and Business Model 72
5.3.3 Overview of the Group's Engagement with Sustainability 72
5.4 Introduction to the Case Findings 79
5.5 Chapter Summary 80
Chapter 6: Organisational Identity at the CC Group 81
6.1 Introduction 81
6.2 Identity Work 81
6.3 Identity Claims at the CC Groups 82
6.3.1 Family Claims 83
6.3.2 Value-Based Claims 86
6.3.3 Business Model Claims 88
6.3.4 Long-Term Perspective 90
6.4 Enacted Identity 91
6.4.1 Interactions with Retailers 92
6.4.2 Interactions with Suppliers 93
6.4.3 Interactions with the CC Family 94
6.5 Chapter Summary 95
Chapter 7: The Emergence, Evolution and (Partial) Embedding of Environmental Management and Accounting 96
7.1 Introduction 96
7.2 An External Prompt 96
7.3 Evaluating Environmental Management 98
7.4 Lack of Internal Support 99

7.5 Emergence of New Policies and Structures 101
7.6 Internal Legitimation 2003 to 2007: Establishing Pragmatic and Moral Legitimacy 103
7.6.1 Establishing Pragmatic Benefits 103
7.6.2 Aligning the Environmental Management System with Socially Valued Concerns 106
7.6.3 Formalised Policies and Accounting and Alignment with Existing Structures 107
7.6.4 Co-Opting Family Support 111
7.7 Temporally Embedded Environmental Management System 113
7.8 Chapter Summary 117
Chapter 8: The Emergence, Evolution and (Partial) Embedding of the Sustainability Programme 118
8.1 Introduction 118
8.2 Alignment of the Social and Environmental Activities 119
8.3 Emergence of a Concept of Sustainability 119
8.4 Evolving Structures and Policies 120
8.5 Legitimating the Sustainability Programme with Senior Management 123
8.6 Legitimating Beliefs 125
8.7 Partially Embedding the Sustainability programme 127
8.7.1 Limitations to Embedding 131
8.7.2 Impact of the Recession 131
8.8 Chapter Summary 133
Chapter 9: The Emergence, Evolution and Non-Embedding of Sustainability Reporting 134
9.1 Introduction 134
9.2 Overview of Reporting 2001 to 2012 135
9.2.1 2001 135
9.2.2 2002 136
9.2.3 2003 136

9.2.4 2006 137
9.2.5 2008 137
9.2.6 2010 137
9.2.7 2012 138
9.3 The Emergence of External Reporting 138
9.3.1 Reporting as a Natural Progression 139
9.3.2 Reporting Based on Performance 140
9.4 Internal Legitimating External Reporting 2002 to 2006 142
9.4.1 Seeking Procedural Legitimacy for Reporting 143
9.4.2 Seeking Consequential Legitimacy for the Reports 144
9.4.3 Seeking Pragmatic Legitimacy for the Reports 145
9.4.4 Legitimacy Evaluations 146
9.4.5 The Environment Executive's Legitimacy Evaluations 148
9.5 Losing Internal Support 2008 to 2012 151
9.6 Chapter Summary 153
Chapter 10: Summary and Discussion 154
10.1 Introduction 154
10.2 Case Discussion 154
10.2.1 Identity Claims, Enacted Identity and Identity Work 156
10.2.2 External Trigger and Preliminary Legitimation 157
10.2.3 New Organisational Activities 158
10.2.4 Main Legitimation 158
10.2.5 Building Legitimacy with Managers and Retailers 159
10.2.6 Building Legitimacy with Employees 159
10.2.7 Building Legitimacy with the Family Directors 160
10.2.8 Embedding the Sustainability Programme 162

10.3 External Reporting 163
10.3.1 Seeking Legitimacy for the External Reports 165
10.3.2 Re-Evaluating the Legitimacy of the External Reports 165
10.4 Policy Implications 167
10.5 Theoretical Implications of the Study 169
10.6 Chapter Summary 172
Chapter 11: Conclusions 173
11.1 Introduction 173
11.2 Overview of the Study 173
11.3 Research Findings 173
11.4 Research Contributions 175
11.4.1 Limitations and Future Research 176
References 178
Appendix A: Document Index 193
Appendix B: Interview Index 195
Appendix C: Master Interview Guide (Round One) 199
Appendix D: Master Interview Guide for Group Members (Round Two) 202
Appendix E: Master Interview Guide for Retailers (Round Two) 205
Appendix F: Publications, Working Papers and Conference Presentations 206
Appendix G: Illustrative Quotes of Organisational Identity Claims 208
Appendix H: Overview of Social and Environmental Activities and Projects Implemented between 1998 and 2006 215
Appendix I: Overview of Sustainability Activities and Projects Implemented between 2007 and 2013 219
Samenvattend Hoofdstuk (Dutch Summary Chapter) 221
Inleiding 221
Onderzoeksopzet en -vragen 222

Theoretisch kader 222
Onderzoeksmethoden 224
Onderzoeksbijdragen 225
About the Author 227

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

List of Tables

Table 3.1 Summary of Suchman's Typology of Legitimacy 34
Table 4.1 Contrasting Common Research Approaches in the Social Sciences 43
Table 4.2 Data Structure 62
Table 7.1 Comparison of Environmental and Social Data Reported in 2001 and 2006 109
Table 10.1 Summary of Case Analysis 168

List of Figures

Figure 4.1 Overview of the Research Process and Outputs 51
Figure 4.2 Embedding a New (Sustainability) Process 60
Figure 4.3 Chronology of the Emergence, Evolution and (Partial) Embedding of the Sustainability Programme 61
Figure 5.1 Visual Overview of the CC Group's External Sustainability Reports, 2001–2012. 75
Figure 5.2 CC Group Environmental Performance Graphs, 2006 – 2011 76
Figure 5.3 Timeline of Sustainability Developments and Projects 1998 to 2013 77
Figure 7.1 Chronology of the Emergence, Evolution and Embedding of the Environmental Management System (EMS), 1998–2007 96
Figure 7.2 Overview of Environmental Activities from 1998 to 2006 115
Figure 8.1 Chronology of the Emergence, Evolution and Embedding of the Sustainability programme 2003–2012 118
Figure 8.2 Overview of Environmental Activities from 2007 to 2013 130
Figure 9.1 Chronology of the Emergence, Evolution and Non-Embedding of External Sustainability Reporting, 1998–2012 134
Figure 9.2 Chart of Report Volume, Tables and Graphs, 2001 to 2012 135
Figure 10.1 Embedding a New (Sustainability) Process 155