



**Understanding corporate sustainability  
integration into business activities: proposing an  
holistic, integrative and longitudinal framework**

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# Introduction (1/2)

## Corporate Sustainability (CS)...

...is about understanding the **changing** internal and external context (Achtenhagen et al., 2013) in order to **comply** (Azapagic and Perdan, 2005) with **stakeholder requirements** (Dyllick and Hockerts, 2002) ON **environmental, economic** and **social** dimensions (Elkington, 1996) **over time** (Dyllick and Hockerts, 2002, Lozano, 2011).

...and can make companies **outperform equivalent companies** in financial performance (Eccles et al., 2011; Kurapatskie & Darnall, 2013).



# Introduction (2/2)

## CS integration depends on:

1. The coalescence of the **physical** and **social** determinants of an organisation (Ny et al, 2006; Griffiths, 2013; Hahn et al., 2015),
2. And the **feedback** on **actions** in both determinants (Vermeulen & Witjes, 2015).

There is a need to understand the feedback of this coalescence in **longitudinal** research

(Hahn et al., 2015; Epstein & Buhovac, 2010).



# Research objective

To develop a framework to understand the **integration** of **CS** in **business activities** based on **holistic**, **integrative** and **longitudinal** approaches.

| 1. Physical | 2. Social |
|-------------|-----------|
| Where?      |           |
| What?       |           |
| How?        |           |



# 1. Physical – overview

Organisation theory - mechanistic:

**The objectives are set, outputs are measurable,** attained and are **compared** with objectives set and, if necessary, appropriate **corrective actions** are taken (Kloot, 1997).

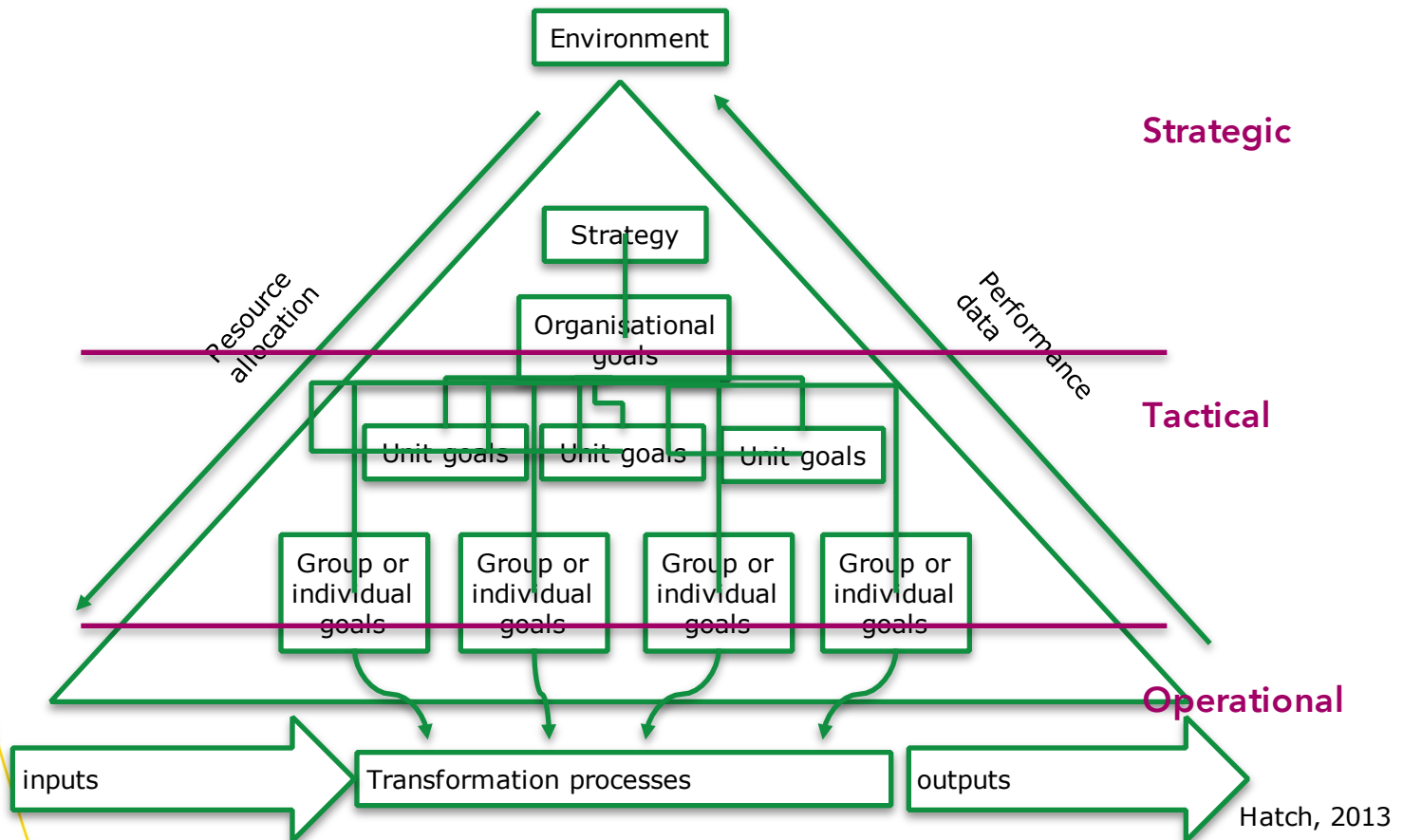
CS integrated management systems:

(Asif et al., 2011; Gianni & Gotzamani, 2015)

**Compliance** with different stakeholders' **environmental, economic** and **social** requirements over time (López-Fresno, 2010).



# 1. Physical – Where? Levels of analysis





# 1. Physical – What?

## Artefacts for goal attainment:

(Dandridge et al., 1980, Schultz, 1995, Jones, 1996, Hatch, 2013)

- Objects
- Interactions
- Activities



# 1. Physical – How?

Feedback of the outcomes characterised by...

**...cohesion** and orientation on **performance management** (Gianni & Gotzamani, 2015).

**...corrective feedback** to identify and adjust **differences** in the system, ensure **best performance** and achieve **cooperation** (Hatch, 2015).





## 2. Social - overview

Organisational behaviour:

A sustainability-oriented **organisational culture** to enable CS (Baumgartner, 2009; Linnenluecke, 2010).

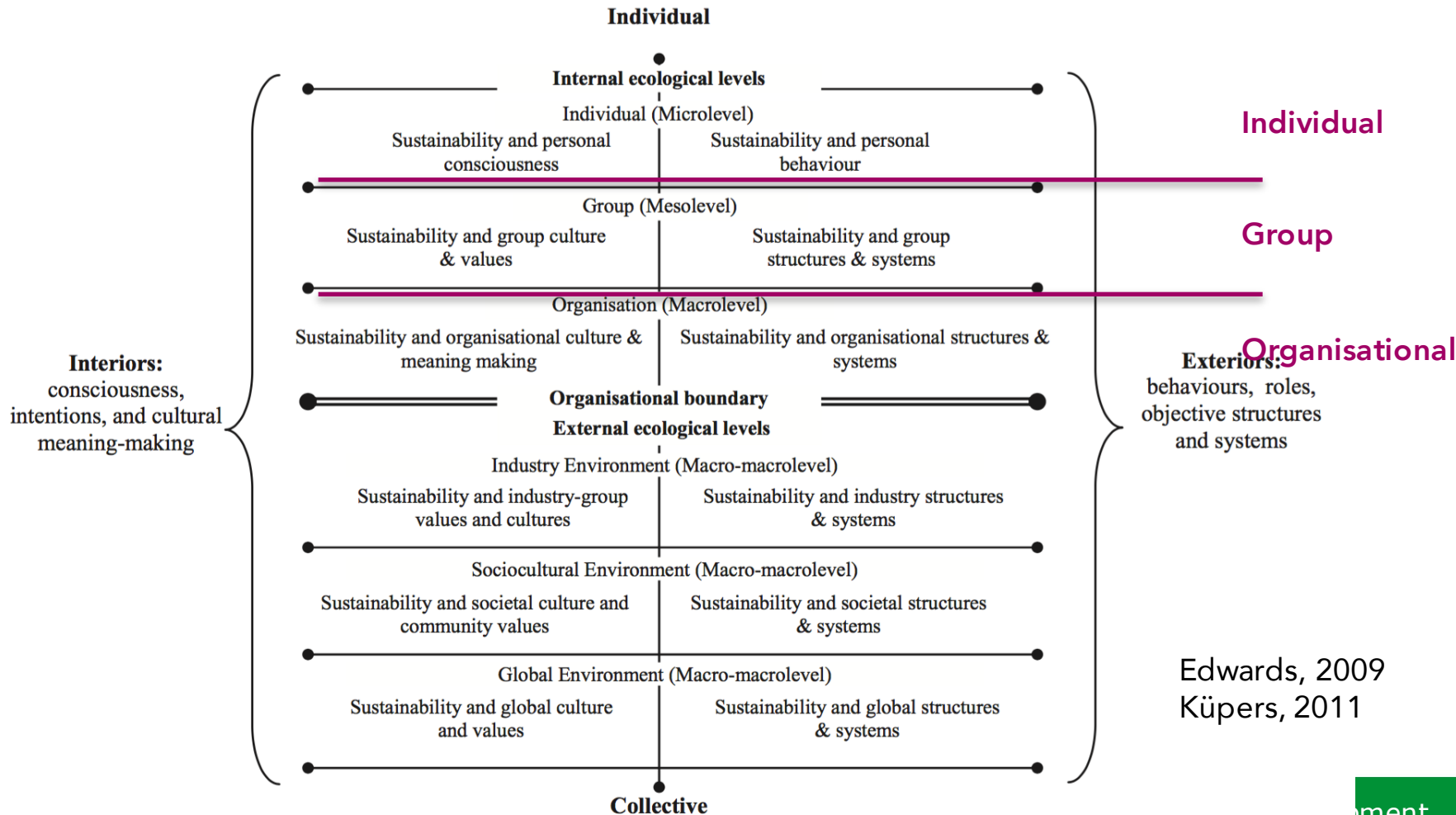
Individual-level factors (e.g. **personal values, preferences**) determine how people make sense of CS and lead to CS integration (Hahn et al., 2015; Schein, 2015).

Tensions between **individual** and **organisational** values and preferences (Hahn et al., 2015).





# 1. Social – Where? Levels of analysis





## 2. Social – What?

Changes in employee **values** and **underlying assumptions** to achieve CS  
(Linneluecke, 2010).

Artefacts, values, basic assumptions  
(Schein, 2004).

Interior and exterior (Edwards, 2009).



## 2. Social – How?

Feedback of the outcomes characterised by...

...**continuous adaptive process** (Schein, 2010).

...**conditioning** and **organisational behaviour modification** (extrinsic versus intrinsic motivations) (Luthans, 2002).



# The framework

Based on **organisation theory** (physical determinants) and **organisational behaviour** (social determinants): what **actions** make CS integrate in business activities?

| Physical                          |        | Social   |
|-----------------------------------|--------|--|
| Strategic, tactical, operational  | Where? | Individual, group, organisation  |
| Objects, interactions, activities | What?  | Exterior (e.g. behaviour, values) & Interior (intentions, basic assumptions, worldviews) |
| Corrective feedback               | How?   | Organisational behaviour modification  |



# Integration actions

- Achieved outcomes
- Interactions
- Thoughts
- Activities



# Method

Longitudinal case study action research (10 companies)

Steps:

1. Project focus
  - KPI definition (GRI/WBSCD/IISD)
2. Data collection
  - Interviews with key persons
  - Ethnographic data recollection
3. Data analysis
  - Integration actions
  - Coding according the framework
  - Construction of database (Nvivo)



# Conclusions

When CS integration in business activities is seen from an holistic perspective:

- It develops from:
  - **Informal to formal;**
  - **Measuring to planning;** and
  - **Recently to permanently.**
- It links levels of **physical** and **social** determinants.
- Getting **feedback** („closing the loop“) is difficult.





# Thank you

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