Adopting and adapting sustainability accounting: fit and faith in a family business

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Abstract

Purpose – The purpose of this paper is to provide a theoretically informed analysis of the evolution of environmental management accounting (EMA) and social and environmental reporting (SER), and the accompanying development of a sustainability programme, in a large family-owned, unlisted corporation.

Design/methodology/approach – A longitudinal case study based on semi-structured interviews and documentary data was conducted. The main periods of fieldwork were carried out in 2007 and between 2010 and 2012. Sustainability reports were collected until 2019 when SER appeared to cease. The case analysis draws on the concepts of organisational identity (OI) and internal legitimacy (IL) to examine the decision-making and actions of a range of key organisational actors as they engage with EMA and SER.

Findings – The study demonstrates that a gap between an organisation's identity claims ("who we are") and its enacted identity ("what we do") can enable the adoption of constitutive, performative and representational EMA and SER. It illuminates the nature of the role of key actors and organisational dynamics, in the form of OI and IL, in adapting these practices. It also demonstrates that, in giving meaning to the concept of sustainability, organisational actors can draw on their organisation's identity and construct the comprehensibility of an organisational sustainability programme.

Research limitations/implications – More empirical work is needed to examine the applicability of OI and IL to other settings. It would also be beneficial to examine the potential for OI work to allow organisations to change and reinvent themselves in response to the evermore pressing environmental crisis and the role, if any, of EMA in this process.

Originality/value – The study enriches our understanding of why and how EMA and SER evolve by demonstrating that paying attention to OI and IL can provide further insight into the decision-making and actions of organisational members as they recognise, evaluate, support and cease these practices.

Keywords Sustainability accounting, Environmental management accounting, Social and environmental reporting, GRI reporting, Corporate sustainability, Organizational identity, Internal legitimacy

Paper type Research paper

1. Introduction

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 . . . 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? (I3, R1) [1]

A growing number of companies claim that they are embedding sustainability [2] concerns into their strategic and operational decision-making processes (Thomas and Lamm, 2012) and are producing accounts and narratives of sustainability (Gray, 2010). Yet, despite increasing recognition of the extent and urgency of the threats to Earth's sustainability, the adequacy of these responses is questionable (Gray and Milne, 2002; Tregidga and Laine, 2022; Tregidga et al., 2014). Organisational-level pathways towards and barriers to sustainability and sustainability accounting [3] remain unclear (Egan and Tweedie, 2018). Consequently, an increasing number of studies engage with organisations and organisation members to examine the adoption and implementation of sustainability accounting (Adams and Larrinaga, 2019). These studies have examined a diverse range of accounting processes and practices including corporate social responsibility (CSR) reporting (e.g. Adams, 2002; Belal and Owen, 2015), social and environmental accounting and/or reporting (SEAR/SER [4]) (e.g. Cho, 2009; Contrafatto et al., 2019; Dey, 2007), environmental reporting and environmental management accounting (EMA [5]) (e.g. Bouten and Hoozée, 2013; Lodhia and Jacobs, 2013), integrated reporting (e.g. Busco et al., 2018; Gibassier et al., 2018), and sustainability accounts and reporting (e.g. Bebbington and Gray, 2001; Thomson et al., 2014), in a variety of organisational contexts. This research has provided insight into several aspects of sustainability accounting including the motives underlying the adoption of sustainability accounting; the role of sustainability accounting in bringing about organisational change; the interplay between sustainability activities and accounting; and the interactions between sustainability accounting and internal organisational and contextual factors (Contrafatto, 2014). However, only a small number of studies have focused on the evolution of SER or EMA over time and examined in-depth *why* and *how* this evolution unfolds (for SER, see Busco et al., 2018; Contrafatto, 2014; Contraffato et al., 2019; Gibassier et al., 2018) (for EMA, see Ferdous et al., 2019; Bouten and Hoozée, 2013; Burritt et al., 2019). Examining the evolution of these practices allows for a fuller understanding of the potential and/or actual (non)role of SER and EMA in facilitating much-needed organisational change towards sustainability (Contrafatto, 2014; Contraffato et al., 2019).

This study seeks to add to the literature on sustainability accounting by longitudinally examining the development of EMA and the development and decline of SER in a large family-owned corporation (the CC Group), paying close attention to both the accompanying development of the organisation's sustainability programme and the organisational context within which these phenomena unfold. The longitudinal nature of the study provides further insight into the decision-making and actions of a range of organisational actors as they recognise, evaluate, (re)build, and support or disrupt and cease these practices. In doing so, it offers the following contributions. Firstly, the study adds to our understanding of *why* sustainability accounting practices emerge as it examines the role of a gap between an organisation's identity ("who we are") and its actions ("what we do") in the adoption of these practices. Secondly, the study considers the evolution of SER, EMA and the organisation's actions on sustainability (more commonly examined individually (Passetti et al., 2018)) and the interplay between these elements over time. In this way, the study adds to our empirical and theoretical understanding of the organisational level dynamics underlying the evolution of these practices as called for by Gibassier et al. (2018) and Contraffato et al. (2019) and responds to Bebbington and Larrinaga-González's (2014) criticism that the study of sustainability accounting has often been decoupled from an organisation's (in)actions on sustainability. The study also provides insight into *how* a sustainability initiative can come to be perceived as internally legitimate, a "fundamental step toward facilitating their adoption and effective implementation" (Thomas and Lamm, 2012, p. 191). It contributes to our understanding of *how* organisational actors give meaning to the concept of sustainability and create explanations for these initiatives that go beyond the problematic business case explanation (Hendriksen et al., 2016). Finally, internal legitimacy (IL) is considered

underexplored and under-theorised (Sapir, 2020). This study adds to our knowledge of the mechanisms employed by organisational members to construct or evaluate IL for new practices.

The paper is structured as follows: Section 2 discusses prior work on the evolution of SER and EMA. Section 3 discusses the theoretical framework for the study. Section 4 outlines the research methodology. The central Sections 5 and 6 present the analysis and discussion. Section 7 presents the concluding comments.

2. Adopting and adapting sustainability accounting

Studies of both SER and EMA point to the evolving or unfolding nature of these practices. Recent work on SER suggests that the implementation of SER is progressive and multi-staged with reporting practices being trialled, (re)combined or ceased over time (Belal and Owen, 2015; Contrafatto, 2014; Contraffato *et al.*, 2019; Gibassier *et al.*, 2018). The unfolding of practices over time is also recognised in studies of EMA (e.g. Essid and Berland, 2018; Larrinaga-González *et al.*, 2001), and more broadly within the literature on management accounting and control (e.g. Ax and Greve, 2017; Chiwamit *et al.*, 2017). Several studies, albeit using different theoretical perspectives and studying a variety of aspects of SER and EMA, have identified that organisations and organisational members design, cut and sew (Contrafatto, 2014) these practices not only to respond to external developments and events but also to fit their objectives and structures. Previous longitudinal case studies have provided in-depth examinations of the institutionally infused logics and processes, and contextual events (e.g. privatisation, increased competition, or regulation) that play a significant role in the evolution of the respective practices being examined (for SER, see Contrafatto, 2014; Contraffato *et al.*, 2019) (for EMA, see Bouten and Houzee, 2013; Burritt *et al.*, 2019; Ferdous *et al.*, 2019). Additionally, organisational members need to build "faith" in the accounting practices being adopted and to make sense of, give meaning to, reflect on, debate and (re)define these practices (Busco *et al.*, 2018; Gibassier *et al.*, 2018). In doing so, organisational members make "links and connections" (Gibassier *et al.*, 2018, p. 1367) between the new practices and their organisation's corporate culture, strategy, logics and values (Contraffato *et al.*, 2019; Gibassier *et al.*, 2018). This study draws on the concepts of organisational identity (OI) and IL to further examine organisational members' role in the evolution of SER and EMA. In doing so, the study seeks to add to our understanding of why and how these practices evolve and, in particular, to build on the work of Contrafatto *et al.* (2019). The phases of birth, structure and de/restructure identified by these authors are used to structure the case analysis and examine the evolution of environmental management [6] (EM), EMA and a sustainability programme, in addition to SER.

3. Theoretical framework

OI and IL are useful concepts when focusing on the adoption and adaption of new practices at an organisational level as they provide insight into the direction and persistence of both individual and organisational actions (e.g. Brown, 2019; Ravasi and Schultz, 2006). Both concepts are used to frame the analysis of the case as neither provided a sufficient framework by itself, and theoretical and empirical overlaps have been suggested between them (Bridwell-Mitchell and Mezias, 2012; Brown and Toyoki, 2013; Tregidga *et al.*, 2014). The state and processes of legitimacy occur "within some socially constructed systems of norms, values, beliefs and definitions" (Suchman, 1995, p. 574) at societal (Golant and Sillince, 2007), organisational (Bridwell-Mitchell and Mezias, 2012) or individual level (Brown and Toyoki, 2013). OI is used as a lens to examine the Group's system of norms, values and beliefs. This framing is developed below by exploring the concepts of OI and IL and the relationship between them in the context of new organisational practices.

3.1 Organisational identity

Drawing on work that brings together social actor and social construction perspectives on identity, this study views OI as a set of identity claims (who we are), an enacted identity (what we do) and ongoing identity work to (re)construct or maintain these claims (Gioia *et al.*, 2010; Gioia and Patvardham, 2012; Kroezen and Heugens, 2012). OI is seen as both some sort of *thing* (made up of two intertwined parts: identity claims and enacted identity) and always in *process* through identity work (Oertel and Thommes, 2018). *Identity claims* are a portfolio of available assertions about the organisation's central, distinctive and reasonably enduring characteristics (Ashforth *et al.*, 2020) and activities (e.g. values, mission and business model) that form the symbolic core of the organisation (Kroezen and Heugens, 2012; Oertel and Thommes, 2018). Through these claims about what the organisation stands for and where it intends to go (Elsbach and Kramer, 1996), organisational leaders attempt to influence how internal and external audiences define and interpret the organisation (Ravasi and Schultz, 2006, p. 435). Organisation members can reference this set of identity claims when attempting to interpret and construct their organisation's identity and can *enact* these claims in social interaction (Kroezen and Heugens, 2012, p. 98). The claims enacted can vary over time and with the audience and organisation member involved. *Identity work* in an organisational context is concerned with the ongoing maintenance or reconstruction of OI in mature organisations by organisational members and stakeholders (Gioia *et al.*, 2010; Pratt, 2012). What constitutes this work is underexplored (Brown, 2017). However, there are suggestions that OI work involves both explicit identity talk (referring directly to identity claims, e.g. "We are an ambitious business" or "He is an honest person") and/or implicit identity talk (descriptions of what happened and attributions of cause that demonstrate that the organisation enacts these claims) (Pratt, 2012).

Accounting practices can influence and be influenced by OI processes. Prior studies highlight the interplay between accounting and processes of identity change and efforts to influence an organisation's external reputation or image (Abrahamsson *et al.*, 2011, p. 346; Tregidga *et al.*, 2014; Bebbington *et al.*, 2008). Accounting information can highlight identity discrepancies triggering organisational change processes, and existing OI claims can heavily inform subsequent accounting practices (Abrahamsson *et al.*, 2011). Accounting can also play a role in (re)constructing identity claims and can articulate and substantiate these claims to others (Abrahamsson *et al.*, 2011; Bebbington *et al.*, 2008; Tregidga *et al.*, 2014). In constructing, articulating and substantiating identity claims, organisations can seek to maintain external legitimacy (Tregidga *et al.*, 2014). Thus, OI processes have a role to play in the adoption of new accounting practices and there can be interplays between accounting, OI processes and legitimation strategies.

3.2 Internal legitimacy

For this study, IL is seen as an ongoing set of individual and social processes that manifests in an apparent collective acceptance by organisation members that a practice is, to some extent, desirable, proper or appropriate within the organisation's system of norms, values and beliefs (Maclean and Behnam, 2010; Brown and Toyoki, 2013). The study draws on Suchman's (1995) typology of legitimacy, which identifies three types of legitimacy: pragmatic, moral and cognitive. Pragmatic legitimacy is concerned with the self-interest of the relevant audience. Moral legitimacy centres on judgements about whether a practice is the right thing to do (Suchman, 1995; Brinkerhoff, 2005) and is based on a normative evaluation of the practice. Cognitive legitimacy derives from the practice "making sense" to the audience (Suchman, 1995, p. 582; Brinkerhoff, 2005, p. 4). There are variants of each form of legitimacy with "fuzzy boundaries" (Brinkerhoff, 2005, p. 10) between them. They coexist and are often mutually reinforcing, but may come into conflict (Suchman, 1995, p. 584). A range of strategies can be employed to build, repair or maintain legitimacy. Each strategy involves a mixture of actual change to a practice and persuasive

communication about the practice. 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 given its focus on short-term material incentives and vulnerability to changes in the perceptions of key constituents (Kumar and Das, 2007). Table 1 summarises the sub-types of legitimacy, their durability and ease of establishment, and associated legitimation strategies.

These legitimation strategies emphasise the role of organisations seeking to persuade external audiences to accord legitimacy to the organisation (Golant and Sillince, 2007). Less has been said about how legitimacy is conferred or withheld by internal audiences (Sapir, 2020). Even within the IL literature, much of the work is focused on the importance of IL for the stability and effectiveness of an organisation, sub-unit or joint venture. Yet potentially IL has a crucial role to play in the acceptance of new practices, including accounting practices, within an individual organisation (Moll and Hoque, 2011). Without sufficient IL, new

Type of legitimacy	PRAGMATIC	MORAL	COGNITIVE
Sub-types of legitimacy	Exchange: legitimacy based on the perceived benefits or value of the practice (Suchman, 1995; Kumar and Das, 2007)	Consequential; the practice is perceived as "doing things right" by achieving valued and desired results (Brinkerhoff, 2005, p. 3)	Comprehensibility; the practice accords with a larger belief system and with the experienced reality of the audience's daily life (Suchman, 1995, p. 582)
	Influence: belief that the practice is responsive to the larger interest of the audience (Brinkerhoff, 2005)	Procedural; derived from "doing things the right way" by following socially valued or validated practices; particularly important in the absence of measurable outcomes (Suchman, 1995; Brinkerhoff, 2005)	Taken-for-grantedness; the practice is seen as a fact of life.
	Dispositional; positive characteristics such as "trustworthy" attributed to the practice (Suchman, 1995, p.578)	Structural; the practice is "right for the job" i.e., it has the capacity to perform specific types of work (Suchman, 1995, p. 581, Brinkerhoff, 2005, p. 3)	
		Personal; attributing moral legitimacy to a practice because of the perceived personal legitimacy of the representative promoting it (Brinkerhoff, 2005)	
Durability	Low ⟵————————————————⟶ High		
Ease and speed of establishment	Easy / Fast ⟵————————————————⟶ Difficult / Slow		
Legitimation strategies for new practices			
Conform: Conform to requirements of existing audiences	Show that the practices meet instrumental demands of key audiences; offer influence over the practices; trade on organisation's strong reputation in related fields	Show that practices produce socially desirable outcomes; associate practices with respected entities	Show that practices conform to established models or standards
Select: Pitch practices at new audiences	Identify and attract key audiences whose instrumental interests are addressed by the practices	Identity new audiences whose moral values accord with the practices	Appropriate a set of accepted standards in a related area
Manipulate: Create new audiences and new legitimating beliefs	Strategic communication to persuade key audiences to value, and to believe they can influence, the 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	Encouraging isomorphism through the standardisation of practice; enhance comprehensibility of practices through lobbying, research, etc.

Table 1.
Sub-types of legitimacy, their durability and ease of establishment, and associated legitimation strategies

practices face uncertainty and marginality (Sapir, 2020, p. 15). Organisational members (directors, managers and employees) are important legitimating agents (Drori and Honig, 2013) who can dispute the nature and purpose of new practices and in doing so render the process of legitimation unstable (Moll and Hoque, 2011).

The mechanisms through which organisational members employ OI when constructing or evaluating legitimacy for new practices are not well studied, but existing literature suggests several potential overlaps between OI and IL. Internal legitimation is often discursive in nature and reliant on the logics circulating in the organisation (van der Steen *et al.*, 2022; Sapir, 2020). For a new practice, comprehensibility is the initial hurdle that must be surmounted to gain internal support (Bridwell-Mitchell and Mezias, 2012). Identity claims may provide the cognitive context for comprehensibility. If an activity 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 Mezias, 2012, p. 192). In this context, identity talk that constructs legitimacy, in particular talk centred on an organisation's history, culture, key events, strategies, significant individuals, and their actions may be important (Brown and Toyoki, 2013, p. 890).

Practices established in response to issues that are unfamiliar and/or evoke strong emotions are particularly difficult to legitimate and can cause an organisation's OI to surface (Dutton and Dukerick, 1991, p. 519). Organisational sustainability and accounting for sustainability are complex and contested areas (Gray, 2010) giving rise to unfamiliar accounting practices (Bebbington and Thomson, 2013; Gibassier *et al.*, 2018). Previous work has identified *that* organisational members can deny, disrupt or support both SER and EMA (e.g. Burritt *et al.*, 2019; Contrafatto *et al.*, 2019; Thomson *et al.*, 2014). Arguably, paying attention to OI and IL can provide further insight into the decision-making and actions of organisational members as they recognise, adopt and adapt SER and EMA, and add to our understanding of why and how these practices evolve.

4. Research methods

4.1 Case setting

Founded in 1876, the CC Group operates in the consumer goods industry. Several branches of the founding family have held a controlling shareholding since then. Its franchise division, with a turnover of more than €4 bn and a network of approximately 600 Irish stores, accounts for the majority of the company's operations. EM and EMA first emerged in the franchise division in 1998 and was then adopted by its wholesale division. These divisions, along with the group board, are the focus of the study. The main periods of fieldwork were carried out in 2007 and between 2010 and 2012. The study relies primarily on interviews carried out and documents collected during these periods. In addition, to be able to reasonably conclude that SER had declined and ceased, the group's sustainability reports were collected until 2019 when SER appeared to stop. After this, the Group's website was monitored for any further SER until June 2022. The case was selected because it seemed to be inherently interesting and unusual (Stake, 1995). Much of the literature at the time relied on external legitimacy theory to examine SER and there were concerns that this broad theoretical perspective had become progressively less insightful (Lodhia and Jacobs, 2013). At the start of the study, there were few external sociopolitical pressures to engage with and report on sustainability in Ireland (Canning and O'Dwyer, 2013). Yet the Group produced award-winning reports and had industry-leading EM. Consequently, it seemed to offer an opportunity to explore matters, such as internal organisational dynamics, which had not been highlighted within the literature at the time. The period of study was selected as it covers the adoption and a period of adaption of SER and EMA, the emergence of the Group's sustainability programme and the decline of SER.

The study was based on an iterative process of inquiry with the objective of obtaining rich data to examine the case (Langley, 1999). This approach is particularly suited to understanding how a process unfolds over time (Edmondson and McManus, 2007). Table 2 provides a summary of each stage of the study.

The first round of interviews in 2007 focused on key participants in the adoption and development of EM, EMA and SER. This round of fieldwork was focused on developing an understanding of the evolution of the new practices, the participants' experience of engaging with these practices, and the organisational context in which the practices unfolded. A sample interview guide is contained in Appendix 2. A further round of fieldwork, including 21 more interviews, was conducted between April 2010 and December 2012. This round of data collection provided a longitudinal perspective on the adaption of SER and EMA. Over the course of the study, more than 70 documents were collected and analysed. These included the

	PHASES		OUTPUTS
1	**Research design** - Identification of area of interest - Empirically focused literature review - Background research on Irish context and target company - Access negotiated with case company	►	Research questions Study design Interview guides

2	**Data collection and analysis**
	- Document collection
	- Interviews with group members:
	   • environmental executive (EE)
	   • environmental consultant (EC) (worked extensively with the company since the mid-1990s)
	   • group CEO (retired 2005)
	   • two of the environmental action team (EAT) leaders
	   • divisional director originally responsible for the practices
	- Data-driven coding and analysis of data
	- Data-driven literature review
		►	Fieldnotes
			Research journals
			Coded transcripts
			Cognitive maps
			Coding matrices
			Collated codes
			Description and summary of external reports
			Thick description
			Key themes analysis

3	**Theoretical development** - Theoretical literature review - Development of theoretical framework - Identification of need for further data collection	►	Interview guides

4	**Data collection and analysis (informed by coding and analysis of the first round of data and the theoretical framework)**
	- Document collection
	- Interviews with stakeholders and group members representing a range of levels within the company including:
	   • group directors
	   • divisional directors
	   • senior executives
	   • managers
	   • staff
	   • the EC
	   • several franchisees
	- Company archive visit
	- Data- and theory-driven coding and analysis of data
	- Update of theoretical and empirical literature review
		►	Fieldnotes
			Research journals
			Coded transcripts
			Cognitive maps
			Coding matrices
			Collated codes
			Updated description and summary of external reports
			Updated thick description
			Updated key themes analysis

5	**Final data review and analysis** - Further development of theoretical framework - Full dataset review (interview recordings, transcripts, and documents in particular the internal accounting documents and the sustainability reports) - Iteration between interpretation and literature	►	Mind maps and other diagrams Summary of case analysis (Table 3)

Table 2.
Overview of research
phases and outputs

external reports published between 2001 and 2019, social and environmental policies, internal social and environmental accounting documents, and documents relating to the Group's history, governance and operations. 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 adoption and adaption of the new practices and their broader perceptions of the CC Group (Gioia *et al.*, 2012). Although the study was carried out concurrently with the emergence of the sustainability programme in the CC Group, it relies on retrospective data concerning the adoption of EM, EMA and SER starting in 1998. To mitigate this, methods advocated by Miller *et al.* (1997) were employed: interviewing multiple knowledgeable respondents; allowing for free recall; and using documentary data sources. In addition, the retrospective portions of the interviewees' accounts were considered in the context of the final data set to identify any common themes or inconsistencies between these recollections and the full data set.

4.2 Data analysis and interpretation
Data analysis was a pervasive activity throughout the life of the study (Coffey and Atkinson, 1996). Coding was both data- and theory-driven. After coding all of the interviews, the number of codes ballooned to over 60 and the process of lifting up out of the data began (Gioia *et al.*, 2012). Patterns, differences and similarities between the codes were identified (Miles and Huberman, 1994). The codes were linked to broader categories and these categories were then used to make pathways through the data (Coffey and Atkinson, 1996). The analysis in this phase had two aims: firstly, to update the chronology and facts (Miles and Huberman, 1994) of the case and, secondly, to further develop the theoretical themes to describe and explain the phenomenon being observed (Gioia *et al.*, 2012). The final data interpretation involved revisiting the full data set and reviewing the fieldnotes, coding, thick description (Patton, 2002) of the case, and research journals maintained throughout the study. Then, following Gioia *et al.* (2012), mind maps and diagrams linking the empirical and theoretical perspectives on the case (Langley, 1999) were developed to support the case analysis.

5. Case analysis
The first section of this analysis uses OI to discuss the organisational context in which the practices emerged. This is followed by the analysis of the adoption and adaption of EMA and SER and the emergence of a sustainability programme. Drawing on Contrafatto *et al.* (2019), this section of the analysis considers the birth, structure and de/restructure phases of the evolution of the practices. Table 3 draws together the key events and dynamics underlying SER, EMA and EM and the sustainability programme in each of these phases.

The interviews took the form of guided conversations (Patton, 2002). Throughout these conversations, the interviewees shared their perceptions of the Group. These perceptions formed an intrinsic part of the interviewees' explanations of why and how the company had engaged with sustainability. These perceptions were analysed as a set of identity claims, an enacted identity, and ongoing identity work. The interviewees represented a range of organisational members and proximate stakeholders. Although there was some contestation of the identity claims or the enactment of those claims by some interviewees, in the main a coherent and consistent set of identity claims emerged from the data. The interviewees engaged in extensive explicit and implicit identity talk about the Group's history, values, business activities, patterns of behaviour, and current and past generations of family owners to express their perceptions of the group's identity claims. These claims characterised the Group as a value-driven, community-based, tough, ambitious, proactive, low-key, family company with a long-term perspective ("CC is a family operated business in its heart (I4, R2)", "our values

Timeline	Phase 1 birth – adopting new practices 1998–2002	Phase 2 development – adapting new practices 2003–2006	Phase 3 re/de-structure 2007–2019
EMA			
External events	Increased waste legislation and costs	Growing public environmental awareness	
Internal events and developments	Development of specific EMA tools and policy including: • Baseline environmental review of 23 premises • Inclusion of environmental checks in store audits • Energy benchmarking for retailers • Introduction of environmental KPIs for the EATs • Environmental measures included in supplier code of activity	Development of specific and integrative EMA tools and infrastructure including: • Energy audits and scoping surveys • Installation of energy monitoring equipment • Development of waste, energy and emissions accounting • Environmental capital budgeting and environmental project assessment	Development and integration of specific and integrative EMA tools and policies including: • Sustainability plan and targets developed every five years • Integration of sustainability targets into existing KPI and performance management systems • Centralised energy data capture and management system for building stock
Internal legitimation	*Legitimation strategy:* Senior group members link the proposed practices to the Group's OI *IL evaluations:* Comprehensibility of the practices established with the Group's board of directors Lack of faith in new activities among board members and little active support from staff	*Legitimation strategies:* EE, EC and EAT leaders seek pragmatic (exchange), moral (procedural and consequential) and cognitive (comprehensibility) legitimacy *Conform:* • Conform to the economic requirements of managers and retailers • Conform to the moral requirements of staff • Embed new practices, policies and structures within the Group's existing structures *Select:* • Attract key audience (CC family) whose moral values accord with the practices *IL evaluations:* • Practices gained pragmatic exchange-type legitimacy • Procedural legitimacy established	*IL evaluations:* EE, CEO and EAT leaders re-evaluate the EATs' structural legitimacy

(continued)

Table 3.
Summary of case analysis

Table 3.

Timeline	Phase 1 birth – adopting new practices 1998–2002	Phase 2 development – adapting new practices 2003–2006	Phase 3 re/de-structure 2007–2019
Identity work	Recognition of waste issue as relevant to the Group Senior organisational members perceive a gap between the group's actions and its OI Senior organisational members use implicit and explicit identity talk to fit the new practices within the Group's framework of identity claims and enacted identity		
SER			
External events	Request from the ACCA to submit a report to their reporting awards		Competitors generating positive publicity with "superficial" activities
Reports and developments	Environmental report 2001 Environmental and Social Accountability Report 2002 – GRI compliant and independently assured Participation in the GRI's assurance working group from January to April 2002	Sustainability Report 2003, 2006 – GRI compliant and independently assure	Sustainability Report 2008 – GRI compliant and independently assured Sustainability Report 2010 – GRI compliant Sustainability Report Key Facts 2010, 2012, 2016 Communication on Progress (UN Global Compact) 2011, 2013, 2014, 2015, 2017 Sustainability Report 2017, 2019
Internal legitimation	*IL evaluations*: • Perceived as a natural by-product • Perceived as conforming to external norms for engaging with environmental issues	*Legitimation strategies*: EE and EC seek pragmatic (exchange) and moral (procedural) legitimacy for the reports *Conform*: • Conform to external standards • Conform to the best interest requirements of managers and directors *Select*: • Identify and attract key audience (CC family) whose moral values accord with the practices • Pitch practices at new external audience (consumers) *IL evaluations*: • Temporary procedural legitimacy established • Pragmatic best interest claims rejected by senior group members	*IL evaluations*: EE and CEO question the structural and moral legitimacy of the reports leading to a loss of IL and cessation of GRI-based reporting

Timeline	Phase 1 birth – adopting new practices 1998–2002	Phase 2 development – adapting new practices 2003–2006	Phase 3 re/de-structure 2007–2019
Identity work	No evidence of identity work	No evidence of identity work	EE engages in explicit identity talk when evaluating the moral legitimacy of the reports
EM			***Sustainability programme***
External events	Increased waste legislation and costs	Growing public environmental awareness	
Internal events and developments	Appointment of external consultants Establishment of EATs for franchise divisions Corporate Environmental Charter Environmental training for staff and franchisees Greening the Supply Chain conference for suppliers Driver training in reduced fuel consumption and safety Introduction of centralised waste contracts for retailers	Appointment of group EE. Establishment of the wholesale and the UK division's EATs Sign up to the UN Global Compact Energy audit at wholesale premise Introduction of new route planning software New energy contract for 500 stores and group facilities with greener energy provider Update of retailers' building contracts to ensure that stores are designed to operate at maximum energy efficiency Design and construction of sustainable head office Energy scoping surveys in Group's facilities and additional electricity meters Nominated energy champion in each facility Energy bureau office established in Ireland and full-time energy manager appointed in the UK division Energy and Natural Resources; Ethical Trading Policy; and Environmental and Social Accountability Policy Implementing ethical trading policy for purchasing and supply chain teams and suppliers Development of food waste management system	EE aligns EM and CSR New structure including five-year sustainability strategy and plan, targets, internal policies, KPIs and divisional board-level sustainability champions Detailed sourcing policies for all own-label products Construction of second eco-friendly office building New eco-store opened in the ROI Extension of green electricity contract to all Irish facilities 300 retailers participate in Energy Map course Water usage research

(*continued*)

Table 3.

Table 3.

	Phase 1 birth – adopting new practices 1998–2002	Phase 2 development – adopting new practices 2003–2006	Phase 3 re/de-structure 2007–2019
Timeline			
Internal legitimation	Shared with EMA	Shared with EMA	*Legitimation strategies*: Pragmatic: exchange Cognitive: comprehensibility *Conform*: • Conform to the economic requirements of managers and directors • Embed new practices and structures within the Group's existing structures *Conform/Manipulate*: • Create new legitimating beliefs linking the programme to the Group's OI *IL evaluations*: • Comprehensibility of programme was affirmed Procedural legitimacy of programme established Extensive and widespread explicit and implicit identity talk by organisational members and family directors linking sustainability to the Group's enacted identity and its identity claims
Identity work	Shared with EMA		

would centre around things like openness, honesty, not being greedy and working hard" (I12, R2), "the best at what they do" (I13, R2), "tough but fair" (I7, R2)). The interviewees maintained that these claims had endured over time 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 family directors were perceived as carefully maintaining these claims; "they're very precious about their heritage" (I1, R2) through conversations with organisational members ("conversations about values" (I12, R2) and "wandering back into history" (I1, R2)).

The interviewees also engaged in extensive implicit identity talk concerning how OI claims shaped decision-making within the business and were enacted to varying degrees in interactions between staff and with franchisees, suppliers and the CC family ("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 [supplier] company." (I12, R2)). The Group was seen as demanding of its franchisees: "It's always about challenge and challenging yourself to do better" (I19, R2) but also "sincere", "supportive" and "not greedy" (I19, R2). During a difficult trading period, franchisees could rely on the support of the Group ("If the sheriffs came in the morning to take the shop off me, I know they'd have my back"). Employees were also "always challenged" (I21, R2) and "working hard" (I21, R2) but "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). Although different 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, the interviewees perceived the Group's full set of identity claims as salient to its enacted identity.

Group members had to "live" the values ("we've to live those values . . . they're pretty serious as far as we're concerned."). Decisions were evaluated against the values ("every decision . . . that's taken in the business is taken in accordance with that [the values]" (I21, R2)) and focused "very much on long-term decisions as opposed to short-term decisions" (I21, R2). Being a family-owned business enabled this long-term perspective:

> My previous experience was a chief exec of a public, quoted company . . . and the difference is huge . . . you can run the business from a perspective of doing the right thing and building for the long-term. (I11, R2)

5.1 Phase one (birth) 1998–2002: recognition and adoption
The "birth" of the Group's engagement with sustainability started with the recognition of environmental issues at the Group board level.

5.1.1 Recognising environmental issues. Intertwined with the interviewees' explicit and implicit identity talk were their explanations of why and how the Group had engaged with environmental issues. Senior group members and the family director, in particular, engaged in extensive explicit and implicit identity talk during their interviews and packaged their explanations within this talk. In the mid-1990s, waste management and disposal were becoming a focus of the Irish government (Wynn, 2003). Prompted by the prospect of external regulatory change, the group board appointed consultants to implement EM and EMA in 1998. Group board members recognised this issue as economically and operationally significant for the business:

> The one issue that is to the forefront of my mind [Group CEO] . . . often threatening to hold us to ransom, is waste management. (CC Group, 2001, p. 1)

Two of the interviewees were key participants in the decision to adopt new practices for the Group's main divisions. Their explanations of the Group's motivations for engaging with EM and EMA were embedded within their talk about the Group's identity claims and enacted identity, fitting the new practices within this framework:

We do have a pretty strong set of values . . . it drives a lot of what we do . . . our business is basically rooted in the community . . . if we're to live to our values, then we have to make a contribution. 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)

They perceived a discrepancy or lack of fit between the poor or non-existent waste management in place at the time and the Group's OI claims and enacted identity, in particular, community involvement and sponsorship:

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

The new practices proposed by the environmental consultant (EC) were comprehensible to the Group's 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) and received strong support from the family directors: "it was the family pushed it originally through the board" (I2, R1).

5.1.2 Adopting new practices. Despite this apparent comprehensibility, fit with the Group's OI, and family approval, there was a lack of faith in the new activities with board members trying to "understand where it was all going" (I3, R1) and little active support at an operational level. When the first environmental action team (EAT) was established in the franchise division, "nobody turned up for it" (I6, R1). However, the divisional director appointed a team leader "who had a great love for it" and "this guy stuck with it, and he actually drove it" (I6, R1).

5.1.3 Adopting EM and EMA. Gradually, EM and EMA were developed by the EC and the EAT leader. In 1999, the company published its first Environmental Charter and conducted an environmental review of 23 premises identifying the main areas of environmental concern: waste management, energy and resource management, materials management, and training (CC Group, 2001, p. 26). Specific EMA tools accounting for transport, waste and emissions were introduced and became progressively more detailed and comprehensive as metering and tracking of waste, energy and transport activities were developed. Environmental key performance indicators (KPIs) were put in place for the division's EAT and, in some cases, these targets were tied into the division's performance management system. The franchise division began engaging with its retailers by starting a common waste contract for franchisees, including environmental measures in their operational audits and including energy and waste management training in the franchisee training. There was some activity in the other main Irish division (wholesale), which was coordinated through the franchise division's EAT. These activities preceded the emergence of SER in 2001.

5.1.4 Adopting SER. The adoption of SER in 2001 was led by the EC and prompted by an invitation from the Association of Chartered Certified Accountants (ACCA) Ireland to submit a report to their awards. The comprehensibility of SER was constructed by the interviewees by positioning reporting as a logical consequence of the Group being "actively involved" with EM and part of both doing things right and doing the right thing for the new practices as a whole. The interviewees who took part in the decision to engage in SER were critical of reports without substance. The reports were "valueless" and "worthless" if they were not connected to performance. Instances of poor environmental performance, both on the part of the Group's franchisees and within its own operations are reported in 2001 and subsequent years. These early reports of poor performance accord with the accounts of the interviewees involved with the process at this time who recalled that a lack of active internal support for both EM and SER persisted for several years. Group members were seen as apprehensive and indifferent, "there were a lot of questions on why are we answering this and what's this got to do with us." (I2, R1). Support from the franchisees was also problematic. The new practices

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 their decision-making processes and to be allocated resources) and with the staff (for it to be incorporated into the day-to-day activities of the company). Gaining legitimacy with franchisees would also be important if EM was to operate throughout the Group's operations.

Engaging the EC had co-opted an expert for the activities; however, it also perpetuated the perception of EM as something separate from the company's main activities, "a lot of the responsibility was staying with us" (I2, R1). Prompted by the EC, the Group Board appointed the environmental executive (EE) in 2003. This appointment was viewed as the Group deciding to take environmental issues "on a very serious basis" (I5, R1). However, the EE still encountered resistance from group members as he sought to expand the activities throughout the Group's operations: "I remember one of the very first meetings . . . somebody saying, well, this policy is all well and good . . . but it doesn't really apply up here" (I1, R1).

5.2 Phase two 2003–2006 (development): adapting and legitimating new practices
The EE along with the EC and EAT leaders employed a range of strategies to further build the IL of the practices including demonstrating the pragmatically and morally valuable outcomes of the practices; continued development of policies; co-opting credible supporters; and linking the practices to the existing hierarchical structures within the business.

5.2.1 EM and EMA. Shortly after his appointment, the EE developed additional policies for EM, links with the company's existing hierarchical structures, and established EATs for all of the divisions. His role involved "negotiating and cajoling", and in some cases, he had "to be prepared to stand up and argue with people". The foundation of this was "non-negotiable" group policy defining "the way we are going to do things" (I1, R1). Specific EMA tools were also substantially developed. The interviewees' accounts and the documentary data demonstrate that EMA was expanded to the majority of the Group's operations (excluding Spain approx. 3.7% of turnover) between 2000 and 2005. In 2000, the Group accounted for energy usage and carbon dioxide emissions and estimated the waste generated for the franchise division alone. By 2005, data on the company's social performance and an extensive set of hard data on its environmental impacts across its divisions in relation to emissions, energy and waste were collected and reported every quarter to the divisional and group boards.

Developing these EMA practices allowed the franchise division's EAT leader to introduce targets and incentive systems for the division's drivers and franchisees, adding to the best interest-type legitimacy of the activities with these audiences. There were "a lot of easy wins" (I2, R1) in the form of cost savings and risk management opportunities. The EE and the team leaders emphasised that the savings generated by EM "far and away" outweighed the "time, effort and expense" that went into the system. However, support for projects was not based on economic considerations alone, for example, in the latter stages of planning and design for a new headquarters, the EE sought to introduce environmental criteria that pushed the build cost substantially over its original budget. The family had "no hesitation" in supporting this overspend "because they felt we are who we are and . . . here's an opportunity for us to put into practice what we say we believe in" (I1, R1). The cost savings following this provided further pragmatic legitimacy with the family directors and Group Board "that has been very convincing in terms of another cost avoidance" (I2, R1).

Establishing the pragmatic, best interest-type legitimacy of EM resulted in financial support from the Group Board and family directors, and substantial budgets were made available to the EATs: "the company gives us a relatively large budget" (I5, R1). Highlighting these pragmatic benefits more widely also helped to convince the "doubters" (I1, R1) within the Group and bring "credibility" (I1, R1) to the EE's role. Accounts of successful projects emerged: "the successes very quickly spread around the business and other people think, well, I wouldn't mind having a piece of that" (I1, R2). Organisational members started to have faith in the practices:

We have had to create a link and demonstrate to people that doing things in a sustainable way very often brings you cost 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, R2)

Promoting the cost savings associated with EM was also important in establishing pragmatic legitimacy with franchisees, who were under margin and cash flow pressures. However, the legitimation of the practices through their pragmatic benefits had limitations, particularly in relation to the Group's or franchisees' 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). Environmentalism was becoming a more mainstream and normal paradigm of concern in Ireland during the early 2000s (Motherway *et al.*, 2003, p. xi). The EE constructed explanations for the activities that incorporated this emerging societal concern for the environment and emphasised that "everybody has responsibility for the environment" (I1, R1). The EE and the EAT leaders organised numerous environmental training courses. The EE also sought to help employees understand the new practices by linking them to their existing areas of expertise:

. . . if . . . you want to talk about cutting truck emissions well then you talk about things like fuel efficiency . . . and from there . . . you get common ground and you can get ideas from them. (I1, R1).

These efforts were seen as changing the "mindset of people" (I4, R1) involved in the day-to-day operations of the company. Overall, this combination of legitimation strategies led to EM and EMA being actively supported by the Group's staff and to an extent by the franchisees. The interviewees indicated that, by 2006, substantive EM had been developed that spanned the Group's divisions and was embedded into day-to-day activities. Environmental considerations were part of Group members' decision-making processes and the Group had significantly improved its environmental performance. The EE also aligned EM with the Group's well-established social practices: "I often say . . . CC were doing CSR before . . . the phrase CSR was really coined" (I1, R1). He began to expand these practices beyond the Group's traditional activities (donations, sponsorship and employee volunteering) into emerging areas such as ethical trading, and the Group's sustainability programme emerged.

5.2.2 Emergence of the sustainability programme. The Group's (self-titled) sustainability programme began to emerge during this phase, motivated by the EE's desire to embed sustainability considerations into decision-making at divisional and Group Board levels. The existing structures (EATs in each division) were now evaluated by the EE, 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, KPIs and divisional board-level sustainability champions. This new structure needed the active support of the senior management of the Group "the aspirations and the requirements of the five-year plan needed a lot more big hitters involved . . . you needed a lot more clout" (I1.2, R2). EMA practices were reviewed and quarterly divisional board performance reports (as part of the Group's overall set of KPIs) and a Group Board quarterly dashboard report were developed. These management accounting techniques were already well established within the business: "CC is KPI driven . . . if it becomes a KPI . . . there is more attention paid to it through the lines of command." (I5.2, R2). This put the sustainability programme "on the agenda of the relevant director teams" (I4, R1). It was in their best interests to ensure that sustainability targets were met, as performance on these now had an impact on evaluations and bonuses for directors, in particular the sustainability champions, as well as staff.

5.2.3 SER.

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

During this phase, the EE was also focused on the development and internal legitimation of SER. After his appointment, "the very first thing" he did was prepare the report for 2003. The 2003 report was fully compliant with the Global Reporting Initiative (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". The most difficult aspect of this work was securing active internal support for the reporting process from other group members, followed by a "very daunting" and time-consuming audit process. Although using the GRI framework was "difficult", it was also initially a source of procedural legitimacy for reporting.

There was a collective acceptance among the interviewees involved with reporting during this period that reporting was procedurally legitimate – that is, it was *doing things the right way*. In their view, reporting followed proper procedures – the use of external standards and independent assurance. Using the GRI framework was a "robust system" (I1, R1) and "CC can stand over the information within the reports" (I5, R1). Group members described the reports as "honest", "truthful", "substantive" and "accurate" documents that reported, "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 critical of the reports, acknowledged that they were "truthful" documents; "I couldn't ring up anyone . . . and say, are you bullshitting the public?" (I6, R1).

The interviews with the EE, EC and EAT leaders suggest that they also sought pragmatic, best interest-type legitimacy for the reports. These best interest claims focused on the reputational benefits of the reports and related awards: "I think that [the awards] can do nothing but good for the company's image you know" (I5, R1). The EE and the EC 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" (I1, R1)), and contributed to a positive image with lenders and insurance companies ("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)). They also sought to align the report with the CC family: "the family loved it" (I2, R1), "they're always extremely complimentary and . . . this is how they feel they are and this how they feel their vision of how their business should operate, should be portrayed" (I1, R1).

However, despite these strategies, the IL of SER was contested. Whereas the EE and the EC provided insight into the strategies used to seek IL for reporting, other interviewees provided insight into the success of these strategies as they evaluated and contested the pragmatic and moral value of the reports during this period. Although the family director confirmed his support for the reports: "if [the EE] produced something, I would certainly go down and encourage him" (I7, R2), the interviews with senior members of the Group suggest that there was limited acceptance of the best interest claims about the reports and awards. One senior group member indicated that awards "were worse than useless" without the performance behind the report (I6, R1). The (retired) CEO was less critical of the reports and indicated that they were distributed to "key influencers" (I3, R1) such as financial institutions and the Department of the Environment but also indicated that claims of this kind were subjective and "very difficult" to evaluate. By 2006, the EE and the EC were exploring ways to reduce the scale of the reports, using a stakeholder consultation to ascertain what information was important to the Group's stakeholders. Having done this, the EE and CEO were initially reluctant to change the reports ("I'm not for dumbing down the report. I'm not for going away from the GRI") and did not want to be "telling nice little good news stories without having the robustness behind that" (I1, R1). SER was part of being "honest" (I11, R2) about what the Group was doing.

5.3 Phase three 2007–2019 (re/de-structure): ceasing and embedding practices
5.3.1 Re-evaluating SER. Despite this professed reluctance to move away from reporting based on GRI, by 2007, the EE was re-evaluating the legitimacy of this "accurate, technical" but "very

expensive document" (I1, R1) and reporting declined quickly in subsequent years (Appendix 3 presents an overview of the 2001–2010 GRI reports). He discussed at length his concerns about reporting and indicated that it was at a "crossroads" (I1, R1), and questioned the purpose and method of reporting ("You have to ask yourself again and again, why are we reporting? And . . . to whom we are reporting? (I1, R1)). He suggested that the GRI-based reports had a limited audience, "a very, very small bunch of elite people [academics and professionals]" (I1, R1).

As other companies in the industry engaged in the area, the external impact of the reports was evaluated. The EE suggested that the Group was not getting consumer recognition for its genuine efforts whereas "we've allowed our competitors to paint themselves more green than they used to be . . . at our expense" (I1, R1). The EE indicated that reporting using the GRI standards was at the heart of this failure to communicate with consumers because the standards were not *right* for *this* job (structurally legitimate):

> 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 it trying to publicise the CSR credentials of a particular company? . . . it probably fails somewhat (I1, R1)

In addition, the EE perceived the GRI guidelines as "becoming more and more unwieldy" and with the development of 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" (I1, R1). He also questioned whether SER was *the right thing to do,* by reflecting on the appropriateness of communicating the Group's sustainability performance to an external audience given the Group's "humble" and "low-key" character.

5.3.2 Ceasing SER.

> They've communicated on the environment and sustainability quite poorly; they had a lot to talk about . . . 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)

Reporting using GRI continued in 2008 and 2010. The EE tried to "de-jargonise" and the technical information was moved to the back of the reports. Even with these changes, he viewed the reports as "very static" and feedback continued to be disappointing. It now "seemed nuts" to the CEO that a "lot of money" (I11, R2) had been spent on a stakeholder consultation, but the reports were still too big, too hard to read and reached a very limited audience. This form of reporting was "onerous . . . 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). Arguably, the EE and the CEO had lost faith in this form of reporting, and these were the last reports using the GRI standards. The Group produced a short UN Global Compact Communication on Progress annually for several years after this and sporadically produced a key facts report or a brief, primarily qualitative, sustainability report. The overall volume and detail of the qualitative and quantitative information being reported substantially reduced and there have been no new reports since 2019. In contrast, the Group's engagement with EMA and sustainability continued to evolve during this period.

5.3.3 Legitimating the sustainability programme. Similarly, to EM, the sustainability programme was pragmatically legitimate through cost savings during this phase, "sustainability . . . it delivers on lots of fronts in terms of cost" (I10, R2) and was economically "self-sustaining" (I1.2, R2). In addition, the interviewees' accounts suggest that the development of the sustainability programme was accompanied by more extensive and widespread identity work by organisational members. The interviewees linked sustainability to the Group's enacted identity as a community-based business: "It's [sustainability] about communities and, you know, building local vibrant communities" (I12, R2) and to its value-based identity claim:

> Sustainability is seen as . . . inextricably linked to values. So, so many of the subtleties of the values
> . . . 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. ... it [also] exists because
> on an ongoing basis it helps us to live our values. (I1.2, R2)

This identity work extended beyond the organisational members. The interviewed family
director engaged in extensive implicit and explicit identity talk, with a particular emphasis on
the past enacted identity of the Group and the behaviour of the founders and other family
members, when discussing his motivations for supporting the sustainability programme. He
indicated that engaging with sustainability was the *right thing to do* and gave the family
confidence that group members were "trying to do the right thing" (I7, R2). The sustainability
programme gave the family confidence that the values and shared history were maintained
"bringing them [the values] more up-to-date and maybe making them more actually granular"
and was "a logical continuation of the way we have been doing business anyway" (I7, R2).
The family director also tried to "give out the right signals" and "encourage" (I7, R2) the EE,
granting the sustainability programme personal legitimacy through this association. This
informed the EE's legitimacy evaluation of and commitment to EM and later the
sustainability programme. They perceived the CC family as "very, very proud of the
sustainability programme" (I1, R2).

5.3.4 Embedded 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)

During this phase, the interviewees perceived the sustainability programme as embedded
within the Group in terms of its integration within the structures and decision-making
processes of the business; receiving active CEO, management and staff support; and the
constituent environmental and CSR practices spanning the Group's operations and divisions.
It was 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). "Believers" (I1.2, R2) who initiated
sustainability projects had emerged throughout the Group. Even those who did not buy into
sustainability were participating; "Dissent is rarely practised in the open" (I1.2, R2).

The interviewees maintained that sustainability issues were now considered at the
onset of new projects, including store and building development; purchasing; and logistics
projects. From the franchisees' perspective, the sustainability programme was now "very
much [part and] parcel of their [the Group's] ethos, and absolutely in everything that they
do" (I18, R2). The interviewees' discussions of the embedding of the sustainability
programme were not naïve or uncritical, and they acknowledged and reflected on tensions
and challenges created by the economic nature of the business, available resources,
technological limits, and difficulties with supplier engagement. However, most of the
interviewees maintained 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 (economic recession) or changes to its constituent practices (such as ceasing SER).
From the family director's perspective, it was "an integral part of managing the company
well" and "living up to the core responsibilities that any good business should have"
(I7, R2).

6. Discussion
The case analysis examines the development of EMA and the development and decline of SER in
a large family-owned unlisted corporation (the CC Group). In doing so, the study adds to our
understanding of *why* and *how* these practices evolved. The analysis also provides insight into

how a sustainability initiative can come to be perceived as internally legitimate and contributes to our understanding of *how* organisational actors create explanations for these initiatives that go beyond a business case explanation. Finally, the study adds to our knowledge of the mechanisms employed by organisational members to construct or evaluate IL for new practices.

6.1 Why EMA and SER were adopted: reflecting on the role of organisational members, OI and IL

The analysis suggests that, following an external prompt, senior organisational actors recognised environmental issues as relevant to the Group. Identity work in the form of implicit identity talk was used to establish a gap between one of the Group's identity claims (community-based business), its enacted identity (community involvement and sponsorship), and its (in)actions on environmental issues. Both explicit and implicit identity talk was then used to fit the decision to adopt new and unfamiliar practices (EM and EMA) with the Group's OI. Explicit identity talk, describing the Group using its identity claims and enacted identity, was employed to establish the comprehensibility of EM and EMA. Implicit identity talk, attributing a cause to the adoption of EM and EMA, established cognitive links between the practices and the Group's OI claims and enacted identity making them seem plausible and justified (Gioia and Patvardham, 2012).

Previous studies have focused on a gap between corporate talk in external reports ("what we say") and decisions and actions ("what we do") on sustainability (Cho *et al.*, 2015) and have examined the aspirational accounting enabled by such a gap (Busco *et al.*, 2018; Gibassier *et al.*, 2018). This case suggests that a gap between a corporation's identity claims ("who we are") and its enacted identity ("what we do") can also exist and examines the accounting practices and actions on sustainability enabled by such a gap. The adoption of EMA was shaped by the need to close this gap through changes in the Group's actions. In this context, EMA had both a constitutive and performative element (Miller, 1992; Tregidga and Laine, 2022) and provided direction to the Group's EM. An initial environmental review confirmed the gap between the group's identity and its EM and made visible and prioritised the main areas of environmental concern. When SER was later adopted, the decision to report was viewed as comprehensible in that it was a logical and expected consequence (Contrafatto, 2014) of the Group being "actively involved" in these practices. SER was viewed as secondary to environmental performance and as representational rather than aspirational. Thus, an internal gap between a corporation's identity claims ("who we are") and its decisions and actions on sustainability ("what we do") can enable constitutive, performative and representational sustainability accounting practices.

6.2 How EMA and SER were adapted: reflecting on the role of organisational members, OI and IL

Several studies of SER and EMA have identified that organisational members need to build "faith" in these practices and adapt them over time (for SER, see e.g. Contrafatto, 2014; Contraffato *et al.*, 2019; Belal and Owen, 2015; Busco *et al.*, 2018; Gibassier *et al.*, 2018) (for EMA, see e.g. Essid and Berland, 2018; Ferdous *et al.*, 2019; Bouten and Hoozée, 2013). This study adds to this work by contributing to our understanding of the *nature* of the role of key actors and organisational dynamics, in the form of OI and IL, in adapting, and building and losing faith in SER and EMA.

The analysis demonstrates that although the initial comprehensibility of the new practices had been established with senior organisation members, there was a lack of faith in these new and unfamiliar practices and a lack of active support among staff and franchisees for several years. In seeking IL for EM and EMA, the key actors employed a range of legitimation strategies including: structure and policy development; co-opting the support of the Group Board and family director; building pragmatic legitimacy based on cost savings; and aligning the new

practices with the Group's identity, broader concerns about the environment, and employees' existing areas of expertise to build "belief" or faith in, and active support for, the new practices. Specific EMA tools contributed to the internal legitimation of the new practices: describing how things were; making things visible; showing priorities; assigning values; and making things governable (Tregidga and Laine, 2022). Accounting for transport, waste and emissions made these areas visible, governable and valuable. According to the interviewees, making environmental considerations visible in day-to-day activities and decision-making changed how the warehouses, offices, stores and logistics were operated over time. Performance in these areas could be monitored and improving performance made valuable by accounting for cost savings. These savings not only met the self-interested needs of individual managers and franchisees but also affirmed the comprehensibility of the activities and built the EE's personal legitimacy. In addition, project-specific environmental accounting was used to pragmatically legitimate environmental investment decisions for buildings, equipment, store design, construction, logistics and purchasing. In this way, EMA became an important resource, in particular for the EE in legitimating the Group's actions on the environment.

The EE along with the EC also played a crucial role in the ultimately failed legitimation of the external reports. They sought procedural legitimacy for reporting through the use of the GRI standards and independent assurance to demonstrate that the reports were prepared in the right way. The reports were expanded to include extensive disclosures of quantifiable and comparable performance indicators drawing on the developing EMA practices. The interviewees had faith that the reports represented the Group's environmental and social performance. They were "honest", "substantive" and "accurate" documents. However, the longitudinal nature of the study reveals that these strategies resulted in a temporary and weak state of IL. Efforts to establish the legitimacy of the reports beyond this procedural legitimacy failed. Powerful organisational members never developed faith in the performative ability of SER. They evaluated the reports as, at best, providing some subjective, PR-type benefits and, at worst, as "valueless" and "useless" separate from the Group's performance. Subsequent efforts to refit the reports to communicate with consumers failed. These representational reports met a "wall of silence" and lacked structural legitimacy or were not *right for this job*.

Much of the literature on SER focuses on the need for reporting to represent companies' actions on sustainability (Busco *et al.*, 2018). However, this case demonstrates that representational SER may not be valued by internal or external audiences. This failure to gain IL or to co-opt a valued external audience left the practice dependent on the legitimacy evaluations of the EE and CEO alone. Reporting to the GRI standards was re-evaluated as onerous and expensive. The EE and CEO ultimately lost faith in both the purpose of reporting and its fit with the Group's OI and sustainability programme, leading to the cessation of reporting to the GRI standards and the decline of the Group's SER. This accords with the findings of Contrafatto *et al.* (2019) that the process of de-structuring SER involves organisation-focused rationalities and the fitting of SER to organisational needs.

The study also extends Contraffato *et al.*'s (2019) work by using the concepts of OI and IL to examine the nature of these organisation-focused rationalities and the role of organisational members in drawing on these rationalities. Additionally, it considers the evolution of EMA and EM as well as SER over the phases of birth, development and re/de-structure. It demonstrates that the evolution of these practices can significantly diverge over time and that the cessation of SER had little to no impact on EMA, EM or the emergence of the Group's sustainability programme.

6.3 Reflecting on the emergence and legitimation of the Group's sustainability programme
The analysis adds to our understanding of the role of EMA in facilitating organisational change towards sustainability. As the sustainability programme emerged, EMA was

reviewed and refitted to support the integration of the sustainability programme into the existing management and reporting structures, providing both the sustainability programme and EMA with procedural legitimacy. Thus, in contrast with the findings of Contrafatto (2014), in this case, it was the adoption and adaption of EM and EMA rather than SER that contributed to a progressively more favourable organisational environment for the sustainability programme to emerge.

Beyond this, the case analysis demonstrates how organisational members give meaning to the concept of sustainability. Prior studies have argued that sustainability is a concept that attracts multiple intentions and meanings (Tregidga et al., 2014) and can be filled with meaning by individual managers drawing on their diverse experiences and aspirations (Busco et al., 2018). This study suggests that, in giving meaning to the concept of sustainability, organisational actors can also draw on the organisation's framework of values, norms and beliefs (OI) and, in doing so, construct the comprehensibility of an organisational sustainability programme. As the sustainability programme emerged, the analysis indicates that a wider set of organisation members and the family director engaged in identity talk that incorporated new shared material about sustainability. This talk implicitly and explicitly linked the sustainability programme to the Group's set of identity claims and positioned the new programme as part of enacting these claims. It created an explanation for the programme that sat alongside the business case and established the programme's comprehensibility. This further served to close the original gap between the Group's identity and its environmental actions.

Finally, IL is considered underexplored and under-theorised (Sapir, 2020). The case analysis adds to our knowledge of the mechanisms employed by organisational members to construct or evaluate IL for new practices and the overlaps between OI and IL. In this case, identity claims provided the cognitive context for organisational members to discursively construct the comprehensibility of new non-routine and unfamiliar organisational practices. This lends support to the assertion that internal legitimation is often reliant on the logics in circulation in the organisation (van der Steen et al., 2022; Sapir, 2020) and in addition, demonstrates the usefulness of OI when examining these logics. Further, the analysis demonstrates that identity talk has a role to play in the discursive element of internal legitimation and, in doing so, provides empirical evidence to support Brown and Toyoki's (2013 p. 890) suggestion that identity talk, in particular, talk centred on an organisation's history, culture, key events, strategies, significant individuals and their actions, is important in any attempt to understand internal legitimation.

7. Concluding comments

This study examines the adoption and adaption of SER and EMA, in a large, family-owned organisation. Focusing on a single organisation, within a specific ownership context, limits the transferability of the findings. However, this was viewed as a necessary sacrifice to allow for a detailed, longitudinal case study that pays attention to the role of key organisational actors and underlying organisational dynamics in the evolution of these practices. The mobilisation of the concepts of OI and IL adds to our empirical and theoretical understanding of this evolution and the interplay of these practices with an organisation's actions around sustainability. More empirical work is needed to examine the applicability of these concepts in other settings.

In addition, the potential of SER to contribute to a transition towards a more sustainable society is being increasingly questioned. In considering the evolution of both SER and EMA, this study demonstrates that EMA, rather than SER, supported the internal legitimation of the Group's actions on the environment and sustainability. Thus, the study lends further support to calls to move away from disclosure as a central focus of accounting studies and to

explore how accounting, in particular EMA, can contribute positively to a transition towards sustainability in other ways (Michelon *et al.*, 2020). It would be beneficial to further probe the role of EMA and OI in organisational change towards sustainability. Identity work can provide a pathway for reinvention and change in response to climate change at an individual level (Wright *et al.*, 2012) and management accounting practices can be an important means of challenging an organisation's current self-perception (Abrahamsson *et al.*, 2011). In the case of the CC Group, its engagement with sustainability was perceived by the participants to align with, rather than challenge, the Group's OI. However, for many organisations, substantively engaging with sustainability and sustainability accounting will require individual and collective critical reflection on existing organisational values and principles (Egan and Tweedie, 2018; Wright *et al.*, 2012). Future research could seek to examine the potential for OI work to allow organisations to change and reinvent themselves in response to the evermore pressing environmental crisis and the role that constitutive, performative and representational accounting could play in this process.

Notes

1. Denotes interviewee three, round one of interviews. A description of the interviewees and their related codes is contained in Appendix 1.

2. Sustainability is a concept that attracts multiple intentions and meanings (Busco *et al.*, 2018; Tregidga *et al.*, 2014). Within this study, it is considered at an organisational level and defined as "actions that organisations might undertake in accordance with the principles of sustainable development" (Bebbington and Larrinaga-González, 2014, p. 396) while acknowledging that the intentions behind, and the appropriateness and adequacy of, these corporate actions towards sustainability are subject to extensive questioning and debate (Gray, 2010; Thomas and Lamm, 2012; Tregidga *et al.*, 2014).

3. Following Thomson *et al.* (2014) who suggest that a range of accounting practices and processes can be seen as a new phenomenon that combines aspects from the established discipline of accounting with the emerging discipline of sustainability, the term sustainability accounting is used in this paper to refer to research that covers social, environmental, ethical and responsibility accounting.

4. SER refers to disclosures made by corporations on the social and environmental effects of their business (Adams, 2002). These disclosures aimed at external audiences can be published through a variety of channels including corporations' annual reports, standalone reports, websites, etc. In this case, the standalone environmental/sustainability reports published between 2001 and 2019 form the core of the SER documents collected for the study.

5. EMA involves the identification, collection, analysis, reporting and interpretation of physical information on the use, flow and fate of the environmental aspects of a company's activities (e.g. emissions, raw materials and biodiversity) and monetary information (e.g. environment-related costs) (Burritt *et al.*, 2002, 2019; Gunarathne *et al.*, 2022). EMA constitutes an important part of sustainability accounting and can be viewed as an innovative and evolving management accounting area that encompasses a wide range of tools whose purpose is to support environmentally beneficial decision-making (Schaltegger, 2018; Ferreira *et al.*, 2010). EMA tools can be specific, i.e. they deal with a single environmental domain such as energy accounting, water management accounting and waste accounting or integrative, i.e. they deal with a combination of environmental domains to link and balance several environmental aspects such as environmental capital budgeting (Gunarathne *et al.*, 2022). Integrative tools often require inputs from several specific EMA tools. Both specific and integrative tools require the support of environmental accounting infrastructure such as the creation and use of environmental cost accounts (Gunarathne *et al.*, 2022).

6. EM is the management of environmental performance and the application of environmental protection policies and strategies. It includes environment management techniques such as charters, procedures, processes, rules, tasks and activities (Essid and Berland, 2018 p. 231).

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(The Appendix follows overleaf)

Appendix 1

Position	Code R1 = Round 1 R2 = Round 2	Length of interview(s) in minutes
Environmental executive	(I1, R1)	126
	(I1, R2)	174
	(I1.2, R2)	44
External consultant	(I2, R1)	74
	(I2, R2)	48
Group CEO (retired)	(I3, R1)	53
EAT leader	(I4, R1)	66
(Wholesale)	(I4.2, R2)	35
EAT leader	(I5, R1)	60
(Franchise)	(I5, R2)	66
Director	(I6, R1)	46
Family director	(I7, R2)	155
New product development employee	(I8, R2)	36
New product development employee	(I9, R2)	27
Logistics director	(I10, R2)	50
Group CEO	(I11, R2)	53
Group HR manager	(I12, R2)	54
Head of store development	(I13, R2)	37
Regional store manager	(I14, R2)	53
Logistics manager	(I15, R2)	42
Driver	(I16, R2)	60
Franchisee	(I17, R2)	77
Franchisee	(I18, R2)	53
Franchisee	(I19, R2)	50
Franchisee	(I20, R2)	25
Logistics accountant	(I21, R2)	60
Group archivist	(I22, R2)	8

Table A1.
Interview index

Appendix 2
Sample interview guide

(1) Could you please tell me about your role in CC Group?

(2) Are you involved in the social or environmental practices?

- Recycling

- Energy management

- Charitable initiatives

- Procurement

(3) How did you become involved in the process?

(4) Your reflections on the evolution of the sustainability process since you have been involved?

- The difficulties/challenges

- Areas for improvement

(5) Openness/resistance to the process through the wider CC Group network?

- Suppliers
- Retail partners
- 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? Potential Probes:

- Changes in
  - Vehicles, buildings, equipment
  - Information systems, organisational structure, decision process
  - Beliefs, values, rules, policies, mission

(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?

- Shareholders/family/executives
- Employees
- Customers/retailers
- Consumers
- Suppliers

(10) In your opinion, what effects (if any) have the reports had on CC Group's external reputation?

- From the point of view of stakeholders
- Wider business community
- Media coverage

(11) In your view, what effects (if any) have the SER process and reports had on CC Group's self-image?

- Feel-good factor
- Change in your personal view of CC Group
- Employee and staff views
- Management and board of directors

(12) In your opinion, what impact (if any) has the recession had on the sustainability process?

- Budget/resource constraints
- Greater focus on cost savings
- Projects cancelled/discontinued

(13) Who do you perceive as the most influential/significant supporters of the sustainability process?

- Family
- Board
- Management
- Employees

- Franchisees
- Suppliers
- Government/regulatory
- Media

(14) In your opinion, why is their support important/influential?

- Direct involvement in the process
- Symbolic support
- Influential with other members of the company

(15) Have you actively sought their support? If so, how do you try to gain their support?

- Demonstrate cost savings or other benefits of the process to them
- Long-term benefits
- Reputation benefits
- Moral arguments
- 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?

- Consumer trends
- Environmental awareness

(18) How would you describe CC Group?

- Central/key characteristics
- What makes it distinctive from other companies in the industry?
- What is its mission?

(19) What is it like to work for CC Group?

(20) In your opinion does the sustainability process now form a part of who CC Group are?

(21) Anything you would like to add? Something I should have asked about but did not?

Appendix 3
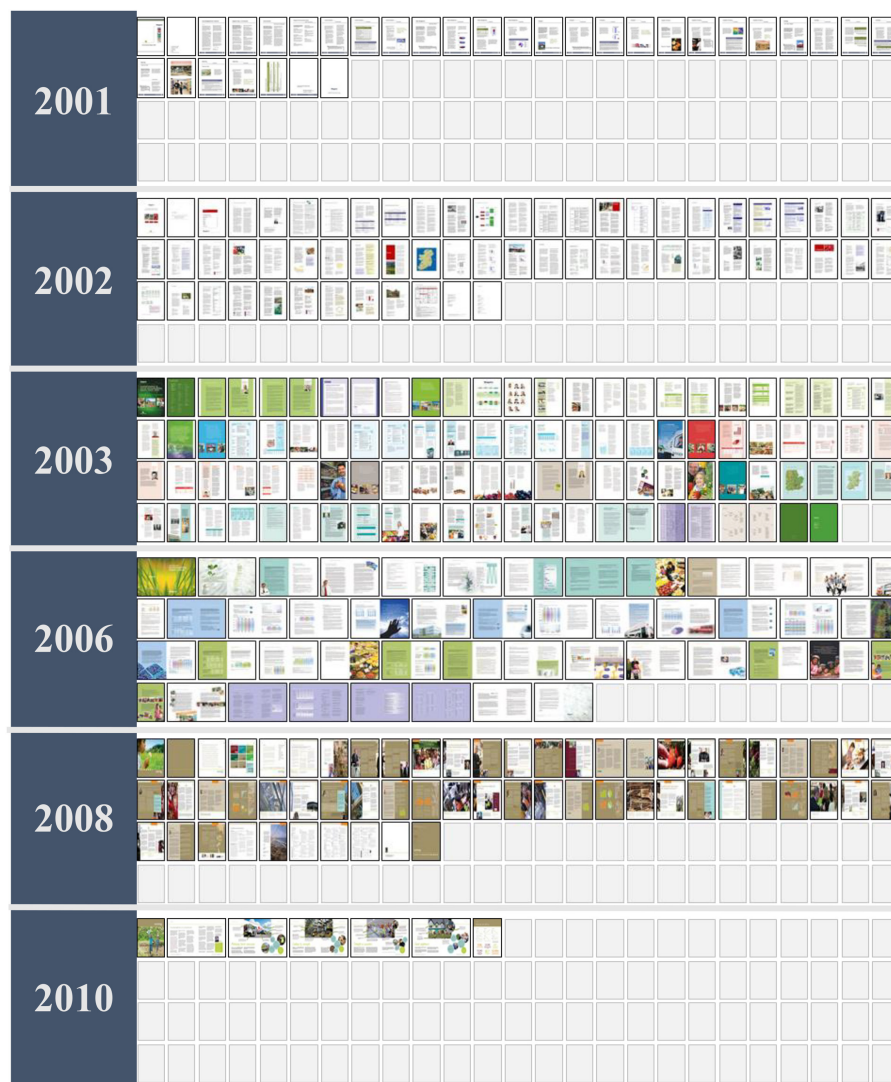
Figure A1.
Overview of GRI
reports from 2001
to 2010

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