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CONFLICTING AND COMPLEMENTING LOGICS: EXAMINING SUSTAINABILITY PRACTICES ACROSS ECONOMIES

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ABSTRACT

The role institutional environments play in sustainability practices is well documented in the international business literature. However, how multiple institutional logics shape sustainability *at the individual-level* is underexplored. Our analysis of sustainability practices in two high-hazard organizations in the Republic of Serbia and Canada respectively illustrate that in both contexts, individuals “pull down” elements of high-hazard logics into their sustainability practices. However, in Serbia, individuals combine elements of high-hazard and legacy state logics to construct a community logic and align their practice to it. In Canada, individuals do so to construct professional logics and align their practices to it.

INTRODUCTION

The international business literature has recognized the important role institutions play in cross-country variation of sustainability practices (Aragon-Correa, Marcus, & Vogel, 2020; Doh & Guay, 2006; Fransen, 2013; Marano & Kostova, 2016). For example, Ioannou and Serafeim (2012) highlighted that variation in national-level institutions, such as political, cultural, labor and educational systems, significantly impact a firm’s sustainability performance. Tashman, Marano, and Kostova (2019) found that emerging countries’ weaker institutions can lead to symbolic statements of corporate social responsibility, while embeddedness in more developed host country institutions can increase pressures to adopt sustainability practices. This line of research primarily views institutions as higher-order structures (Zilber, 2016) that drive

isomorphism among firms (i.e., firms within a particular institutional environment adopting similar sustainability practices, Martínez-Ferrero & García-Sánchez, 2017) or investigates how firms decouple from these institutional pressures (i.e., firms' choices to pursue sustainability practices despite unsupportive institutional environments, Tashman et al., 2019)

However, in relying on a neoinstitutional lens (DiMaggio & Powell, 1983; Meyer & Rowan 1977), the current literature tends to underestimate the significance of the institutions themselves and how individuals enact them. More specifically, how are institutions complementary, contradictory, and enduring (Friedland, 2012; Jackson & Deeg, 2008; Lounsbury, Steele, Wang, & Toubiana, 2021), and how do they shape sustainability practices *at the individual-level* differently across countries (Frensen, 2013; Silva & Figueiredo, 2017)? Indeed, the institutional logics literature suggests that institutional environments consist of multiple, only sometimes complementary, often conflicting, and sticky logics (Durand & Thornton, 2018; Reay & Hinings, 2005; Thornton, 2002). In these environments, individuals make sense of institutional conflicts and “pull down structural elements [relevant] for their actions” (Harmon, Haack, & Roulet, 2019: 465).

Our comparative case study seeks to address this gap and generate novel insight into how individuals in high-hazard organizations in Canada and The Republic of Serbia (Serbia) “pull down” elements of multiple institutional logics to structure their sustainability practices. We situate our study in the institutional logics perspective, which has provided significant insight into how field-level processes shape individual-level actions (Durand & Thornton, 2018; Friedland & Alford, 1991; Lounsbury et al., 2021; Thornton, Ocasio & Lounsbury, 2012). In doing so, we identify the process through which logics shape sustainability across countries.

To this end, we offer two main contributions. First, our findings contribute to the sustainability literature by illustrating how sustainability operates in the organization (Silva & Figueiredo, 2017). We show that individuals “pull down” elements of relevant logics—embedding extra-organizational social structures within sustainability practices (Martin, 2011)—via two mechanisms: aligning and relating. Second, we contribute to the international business literature by illustrating how (and when) logics complement and contradict to inform individual practices differentially. We empirically demonstrate how individuals disaggregate elements of multiple logics (Lounsbury et al., 2021, McPherson & Sauder, 2013), pulling down some elements while discarding others. In addition, our findings point to the “stickiness” of logics (Kroezen & Heugens, 2019; Weager & Weber, 2019), where the relevance of the logic endures long after it has been replaced. This elicits suspicion of the current institutional environment, and individuals construct alternative logics to reconcile experienced conflicts.

METHODS

The institutional logics perspective demands specifying the level of analysis and considering the interconnectedness among individuals, organizations, and society (Friedland & Alford, 1991). To this end, we employ a cross-country, comparative case study methodology to explore sustainability practices at the individual-level while remaining sensitive to the contextual contingencies in which they occur (Creswell, 2012; Welch, Piekkari, Plakoyiannaki, & Paavilainen-Mäntymäki, 2011). Indeed, this methodology is uniquely appropriate to explore a question bounded in context, where the context itself informs the nuances of the exploration (Creswell, Hanson, Plano Clark, & Morales, 2007). In addition, it provides space for abductive theorizing that enabled us to make sense of surprising and unusual insights from our data in a theoretically relevant manner (Mantere & Ketokivi, 2013; Welch et al., 2011).

Data Collection Procedures

Data collection proceeded in two phases: the first phase in a hydroelectric energy producer in Serbia, the second phase in a oil and gas company in Canada. A total of 34 formal interviews were completed (17 in Serbia and 17 in Canada). We began the interviews with questions about participants' backgrounds to establish rapport (Creswell, 2012). Subsequently, we inquired into their work practices and probed into how they experience sustainability in their work. We collected archival material and engaged in on-site observation as well. For archival data, we collected publicly available information and internal documents that detailed the history of the organizations, performance data, and recent hazardous or near-hazardous events (events that could have escalated but, due to proper action, were contained). In addition, we collected government reports, news articles, and publicly available third-party analyses of the institutional contexts. For observation, we spent four weeks on-site in Serbia and visited the Canadian site three times, spending time with employees both inside and outside of work.

Data Analysis Procedures

Preliminary data analysis commenced after the first stage of data collection in Serbia. Following abductive logic, we identified critical events in our data and circled back and forth between theory and data to build our understanding. For example, we recorded the practical nature of sustainability at the individual-level where sustainability exists if it is part of individual work (Silva & Figueiredo, 2017). However, we also noted the complexity of sustainability practices at the individual-level, shaped by multiple logics. In doing so, we worked to remain reflexive, seeking a new understanding of theory through a continuous dialogue between our understanding and the data, as suggested by Mantere and Ketokivi (2013).

Once the formal data collection was complete, we immersed ourselves in the data to enrich our understanding of our participants' experiences and create *in-vivo* codes using the participants' words (Creswell, 2012). For example, one informant from Canada discussed how his identity as an engineer (rather than a manager) shaped his approach to sustainability practices. We coded this instance as *aligning sustainability with identity*. A participant from Serbia discussed how he makes sense of sustainability through his expertise because he does not fully trust regulations, which we coded as *mistrust in regulations/deference to expertise*. The coding process enabled us to ground the data extrapolation within our participants' words (Creswell, 2012) and identify emergent insight (such as differences between the two contexts illustrated in the examples above) without prematurely imposing theoretical constructs.

We continued circling between theory and the data to refine the emergent themes and provide a rich narrative (Gioia et al., 2013). For example, *embedding identity meanings into sustainability practices* and *sustainability as a meaningful part of their role (community/profession)* were first-order codes grouped under the second-level code of *Aligning of Professional/Community Logics*. We further categorized second-level codes using Creswell's (2012) framework of expected, surprising, and unusual codes to capture elements in our findings that do not just affirm existing theory (expected codes) but also those elements that challenge existing theory (surprising and unusual codes). In doing so, we discovered that individuals in high-hazard organizations adopt a multiplicity of logics—some of which are complementary while others are conflicting—in their sustainability practices.

The Impact of Multiple Institutional Logics on Sustainability Practices in Two Countries

Our comparative case study depicts sustainability in high-hazard organizations not as a static property of the organization but continuously *accomplished through individual-level practices*. However, incorporating sustainability into ongoing work practices is not always straightforward. Indeed, as one of our Canadian participants suggested, “it takes a level of skill of understanding...but also the ability to resolve conflicts in a rather heated context where interests are pitted against each other.” This resonated true within the Serbian context as well, indicating that individuals in high-hazard organizations experience a multiplicity of logics—some of which are complementary while others are conflicting.

In further examining how individuals accomplish sustainability, our investigation uncovered that individuals “pull down” structural elements of different logics into their sustainability practices through two mechanisms: aligning their practices with their salient identities and relating the practices to the well-being of others. Individuals *align* their sustainability practices with their identity meanings—sustainability practices are appropriate because they conform to the identity meanings of these individuals. Second, individuals *relate* their practices to others—sustainability practices are appropriate because the high-hazard organization logic informs safe, reliable practices that reduce the threat of hazard for others. However, we also observed that individuals in high-hazard organizations navigate multiple institutional logics—some conflicting and some complementing—pulling down different structural elements across logics to their sustainability practices. Our findings suggest that differences exist in institutional logics and those logics interact and contradict to distinctively shape sustainability practices at the individual-level (See Figure 1).

 Insert Figure 1 About Here

CONCLUSION

Sustainability is a global grand challenge of increasing importance to firms, host, and home countries that is only further magnified by the COVID-19 pandemic, global inequality, and declining access to resources necessary for sustainable development. Despite the growing focus on sustainability, studies have only begun to unpack the complex nature of sustainability within and across economies of different stages of development. Our study contributes to the dialogue in the international business literature by investigating how sustainability operates through the work of individuals shaped by the multiple institutional logics in two countries. We show that individuals pull down elements of institutional logics into their sustainability practices via two mechanisms: aligning and relating. However, our findings also illustrate that these processes differ across countries due to the unique set of national circumstances. Our study, thus, provides an important insight into how the national context shapes sustainability practices at the individual level as they seek to create positive social and environmental impacts.

REFERENCES AVAILABLE FROM THE AUTHOR(S)

Figure 1a: How the Multiplicity of Logics Translates into Sustainability Practices in Serbia

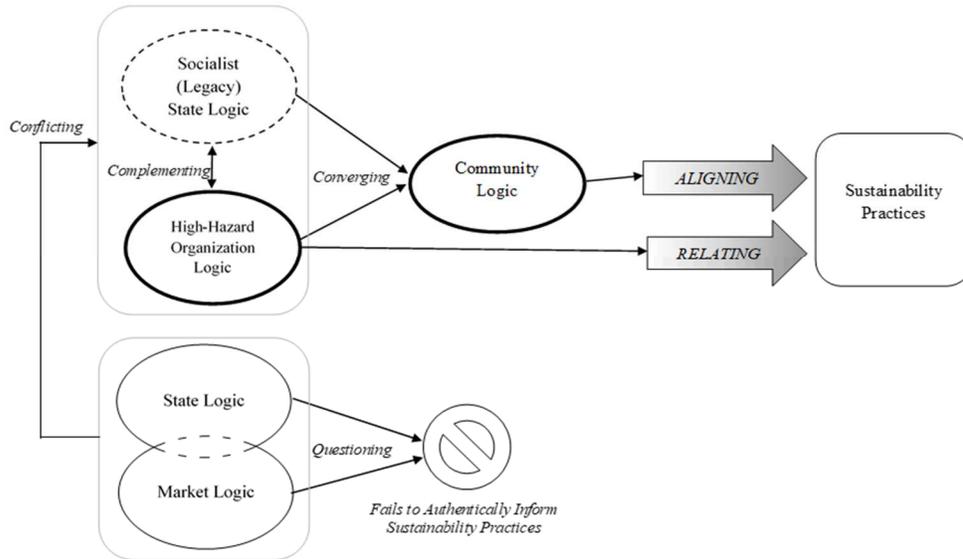
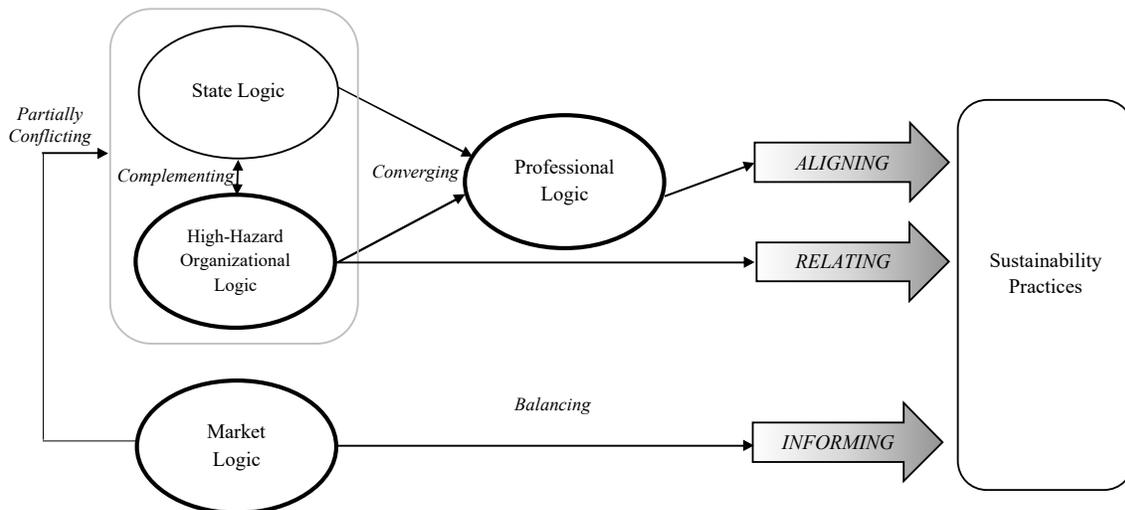


Figure 1b: How the Multiplicity of Logics Translates into Sustainability Practices in Canada



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