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Sustainable Strategies as Myths – Why Walk the Talk?

What are the most predominant drivers for organizations to recouple CSR practices with overarching institutional policies?

A qualitative multiple-case study within the Swedish business community.

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Abstract

Research within the field of Corporate Social Responsibility (CSR) has long been debated amongst scholars not only for its positive impact on society, but also the benefits it can bring to the organization as a whole. This research identifies CSR policy as an institutional myth through which organizations are pressured to alter both formal structure and work activities via both decoupling and recoupling processes. We intended to uncover what institutional pressures exist, specifically within the recoupling process, by asking: "What are the most predominant drivers for organizations to recouple CSR practices with overarching institutional policies?" A qualitative study with an explorative multiple-case design was employed to analyze data collected among 8 Swedish companies. Although the selected firms derive their business from products as diverse as weaponry to public transport, or tobacco to theme park entertainment, they have all implemented socially responsible practices guided by institutional forms of policy. To collect the data, interviews were undertaken with the organizations' CSR professional, which was then triangulated with both annual reports and a practical CSR assessment model provided by Grant Thornton, an established business consulting firm. The results provided fruitful findings revealing recoupling occurred from 5 interdependent, yet not necessarily interconnected, drivers. The drivers identified included; leadership, social pressure, business performance, regulations, and cultural/cognitive aspects. Thus, the findings were able to contribute to New Institutionalism by advancing new perspectives of the recoupling process within a CSR context.

Keywords: Corporate Social Responsibility, Decoupling, Recoupling, New Institutionalism, Isomorphism, Myths

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1. Introduction

The destructive nature of the capitalist system has long played havoc not only within the world's social community, but also the environment that plays an essential part in the existence of mankind. With an increasing number of stakeholder groups putting pressure upon the corporate world, business has begun to find profitable strategies within a Corporate Social Responsibility (CSR) context. Although numerous key thinkers, such as Friedman (1970), have been rather cynical about CSR saying firms only use CSR as a tool to increase shareholder value, it is hard to deny CSR as a welcomed guidance system for firms to become more ethically aware of their wrong doings. CSR has long been portrayed as a voluntary myth that increases legitimacy and transparency to their stakeholders. Currently, new policies are being implemented within the EU that force firms to be transparent in their CSR efforts and to integrate non-financial reporting into firm practices (EU, 2014).

Institutional theorists Meyer and Rowan (1977) have revealed that many organizations have been able to decouple their practices from policies in order to stay efficient and survive. Decoupling refers to the behavior of organizations to disconnect the practice from the official policies or prescriptions in order to work more efficiently and survive (Scott, 2014). Interestingly, further studies have indicated evidence of firms decoupling from their CSR policies despite research that suggests the adoption of socially responsible practices results in positive organizational performance (Haack et al., 2012). In contrast, recoupling is defined as a local response that arises from institutional pressures. The examination of recoupling relies on the ability to understand micro-macro linkages between organizations and the environments they operate within (Binder, 2007). Additional studies have been able to deepen understandings of recoupling processes, yet there have been few studies on the recoupling of CSR policy to practices. (Espeland, 1998; Hallett, 2010). Therefore, with the guidance of New Institutional theory, this research aims to contribute deeper understandings of recoupling processes by answering the following research question:

>*What are the most predominant drivers for organizations to recouple CSR practices with overarching institutional policies?*

1.1. Problematization and Purpose of the Study

Taking into account previous literature that surrounds the CSR field, an identifiable gap exists between institutional CSR policies and recoupling of organizational practices. CSR has seen an increasing amount of academic literature that often ties itself together with positive organizational performance (Gössling & Van Beurden, 2008). Research on CSR itself is nothing new, dating back throughout the 20th century whereby established scholars, such as Friedman (1970), believed CSR was nothing more than a decorative banner for companies to gain legitimacy through voluntary deeds of goodness. However, recent years have shown an increase of institutionalized standards within CSR reporting (Kolk, 2007). Through corporate governance and public pressure for increased transparency, organizations have been forced to undertake institutionalized forms of CSR reporting that may decouple their policies from their practices (Haack et al., 2012). In light of increased research that depicts CSR practices as beneficial to organizational performance, this research will attempt to gain deeper understandings of predominant drivers that encourage recoupling of organizational CSR policies to practices.

In regards to Meyer and Rowan's (1977) stance on the importance of legitimacy to an organization, it is no wonder CSR reporting has become a crucial part in conveying accountability through transparency. Similarly, formal structures of organizations often reflect myths of their environment, rather than their activities (Meyer & Rowan, 1977). In view of this, we can begin to understand why CSR reporting has become integrated into the formal structures of many large organizations. This goes hand in hand with research on the decoupling of CSR policies that are yet to be implemented into a firm's practices (Crilly et al., 2012; Haack et al., 2012). However, a gap appears to exist between research that suggests an increasing amount of firms are seeing improved organizational performance from the implementation of CSR practices, and firms that are decoupled from CSR practices. Therefore, we begin to examine multiple firms who have been pressured to adopt CSR reporting frameworks, which could be interpreted by Meyer and Rowan (1977) as institutional myths and are now encouraging the implementation of CSR practices. By building on Tim Hallett's (2010) research, which examines recoupling processes in an elementary school setting, this paper hopes to find deeper understandings of what mechanisms trigger organizations to implement CSR practices, yet takes

into account previous research on the decoupling effect of CSR standardization (Crilly et al., 2012; Haack et al., 2012).

2. Literature review

The development of CSR research has a relatively long history in the social science field (Garriga & Mele, 2004). Friedman (1970) has previously stated "there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it… engages in open and free competition without deception or fraud" (p. 178). In this respect, managers and executives are employees of the shareholder and it is the manager's primary objective to make as much money as possible within the boundaries of society's basic rules (Gössling & Van Beurden, 2008). On the other hand, Freeman (1984) believes social performance is needed to gain legitimacy from stakeholders. This statement goes one step beyond Friedman by implying it is not just shareholders that are important but other stakeholders as well (Gössling & Van Beurden, 2008). Considering most of today's research regarding CSR and its use to gain not only better organizational performance, but also its underlying strength as a tool to gain legitimacy, it is important to understand what institutional pressures lead to the implementation of CSR practices.

In the most recent decades, a burgeoning amount of research has been conducted to correlate the positive effects of CSR to organizational performance (Du et al., 2010; Gössling & Van Beurden, 2008). Numerous findings have revealed that stakeholders including, customers, employees, and investors, are more likely to engage with firms that are CSR focused (Du et al., 2010). In addition, Cone's research (2007, cited in Du et al., 2010), illustrates 87% of American consumers are likely to buy from brands that are connected to a good cause, rather than brands whom are not. Moreover, 85% of consumers will stop buying from companies who have negative impacts on social responsibility. Although the aforestated research is undertaken in a different geographical location, it suggests that organizations are able to reap huge financial benefits from engaging in CSR to satisfy many types of stakeholders. By being a good corporate citizen, rewards are not only found in the consumer domain through increased sales, but also attracting more talented employees improving intangible assets (Du et al., 2010).

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Albeit, a magnitude of CSR definitions exist, the organizations analyzed operate within a member state of the European Union, therefore we have chosen to ground our study to the Commission of the European Communities' interpretation (2001): "A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis" (p. 6).

2.1. CSR reporting

In addition to aspects of CSR related performance, research on CSR reporting is emerging in the hopes to gain better understanding of the causal links between legitimacy and sustainable practices. Ans Kolk (2007) examines the extent to which multinationals incorporate sustainability reporting as a means of corporate governance. He defines sustainability broadly which involves a number of topics; such as ethics, environmental, and social issues, often being referred to as the triple bottom line. The paper takes into account, not only the inclusion of corporate governance, but also whether organizations consider the supervision of the board in regards to sustainability codes of ethics and complaint procedures. Moreover, Kolk (2007) concludes that corporate governance has clearly become a determinate for companies to begin offering information, and increase transparency and accountability.

CSR reporting is generally a tool for organizations to address environmental and social issues with a variety of stakeholders (Kolk, 2007). In turn, CSR reporting becomes integrated into the firm's corporate governance framework, satisfying transparency and accountability to both shareholders and stakeholders. Failure to issue transparency in the adoption of ethical guidelines and CSR standards result in both public scrutiny and hefty regulatory fines, which will ultimately impact the survival of the organization (Haack et al., 2012). Although, institutional standards may not enhance productivity or efficiency, they may well provide internal and external legitimacy (Meyer & Rowan, 1977). This correlates with DiMaggio & Powell (1983) who claim that organizations do not only compete for customers and resources, but also legitimacy to increase social and economic fitness. Hence, we can see the importance of the rise in CSR reporting.

Furthermore, the new EU directive, Directive 2013/34/EU, was introduced and passed by the European Parliament and the Council in July 2014 after being proposed as legislation by the European Commission as "Disclosure of non-financial and diversity information by certain large undertakings and groups". The reason for the new directive was motivated by the European Commission as there is lack of similarity between the member states regarding transparency of environmental and social information provided by undertakings and other groups in all sectors. Whereas financial information is easy to access and audit, these mentioned missing factors are more difficult to undertake. Yet, when heading for an even more global economy where the goals are to protect the environment, provide social justice and at the same time aim for long-term profitability, indeed the disclosure is important to take into consideration as a possible driver for organizations to implement sustainable practices (EU, 2014).

2.2. Decoupling CSR policy

As a result of stakeholder and government pressure, many large firms have begun to adopt sustainable reporting procedures, which has lead to a rapid advancement of CSR reporting within numerous industries. This has resulted in a global consolidating of frameworks systematized around responsibility, accountability, and sustainability, in the hope to pressure organizations to alter their impact on social and environmental issues (Haack et al., 2012). In the paper "Talking the Talk, Moral Entrapment, Creeping Commitment/Exploring Narrative Dynamics in Corporate Responsibility (CR) Standardization", Haack et al. (2012) examines the developments of CR standardization and the conditions under which real life practices of CR standardization are implemented.

In reality, CSR standards become an embedded part of organizational routines some time after they have been introduced as a company policy (Haack et al., 2012). That is to say, organizational ceremonies such as CSR reporting, although enforced by institutional pressure may not align with the organization's core activities. (Haack et al., 2012). Activities that are considered socially acceptable could undermine the organization's technical efficiency, in turn causing the organization to decouple core practices from its formal structure (See fig. 1.). Arguably, decoupling CSR practices from policy is considered to be unsustainable to firms that

adopt CR standards through risk of public scrutiny (Haack et al., 2012). On the other hand, Meyer and Rowan (1977) believe decoupling can uphold a firm's symbolic structure whilst avoiding any internal efficiency consequences. Haack et al., (2012) argue that in the field of CSR, decoupling is merely a transitory phenomenon that is an institutionalized process that starts, rather than ends, with adoption. In this respect, the study does not build on forms of recoupling from CSR policies to practices.
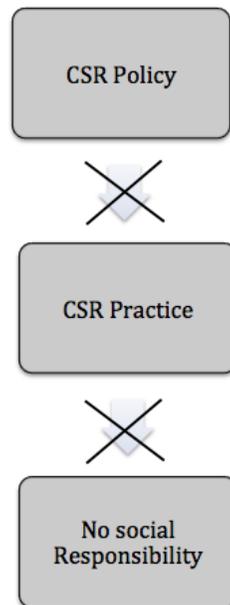
Figure 1. shows the decoupling process of policy to practice in an organization.

Decoupling has been brought to the forefront of Institutional research, allowing scholars to understand policies that were adopted from external pressures yet did not change organizational behavior or practices (Bromley & Powell, 2012; Meyer & Rowan, 1977). Meyer and Rowan build upon earlier work centered on institutional accounts of decoupling (March & Olsen, 1976; Thomson, 1967; Weick, 1976), arguing that external environments deeply affect the internal operations of an organization. Decoupling allows companies to continue functioning with legitimate and standardized structures whilst their practices divert to efficiently adapt to their day to day activities (Meyer & Rowan, 1977).

However, Meyer and Rowan fail to explain the advantage of moving in the opposite direction from decoupling to recoupling. It is apparent that many organizations are not only adopting new institutional practices such as CSR reporting but are in fact recoupling their practices to align with more social and environmental strategies (Lamberti & Lettieri, 2008). In view of this, Meyer and Rowan's (1977) paper does not consider the public scrutiny that organizations may face when decoupling from environmental or social policies that have become increasingly evident in today's media (Lyon & Montgomery, 2013).

2.3. From decoupled to recoupled

More contemporary studies (Bromley & Powell, 2012) develop richer and more complete accounts of how decoupling can relate to the modern business world. Bromley and Powell (2012) explain, the majority of decoupling studies focus too much on policy-practice. Instead, they propose that decoupling occurs on two levels, policy-practice and means-ends. As opposed to the policy-practice gap where policy does not align to practice, means-end decoupling is the misalignment of practices-outcomes. But what is most important in this study is the attention to the specific forms of coupling, specifically; loose-coupling, tight-coupling, decoupling, and recoupling.

A number of studies show that policies over time, that are intended to be symbolic, may unexpectedly become integrated into an organization's practices (Edelman, 1992; Hallett, 2010; Sahlin & Wedlin, 2008; Espeland & Sauder 2009). Moreover, Espeland (1998) was one of the first researchers to examine "recoupling" as a process whereby disconnected organizational policy becomes more tightly linked to company practices over time (Bromley & Powell, 2012). Recoupling studies have paid closer attention to the implementation of policies towards secondary schools' practices, particularly in regards to the increased focus of external accountability measures (Parise et al., 2011). Similarly, Kelly and Dobbin (1998) examined the implementation of anti-discrimination laws over a 30-year period. What they found, when the state or federal supervision increased, firms began to implement policies that were once used as a ceremonial gesture to avoid external fines and sanctions.
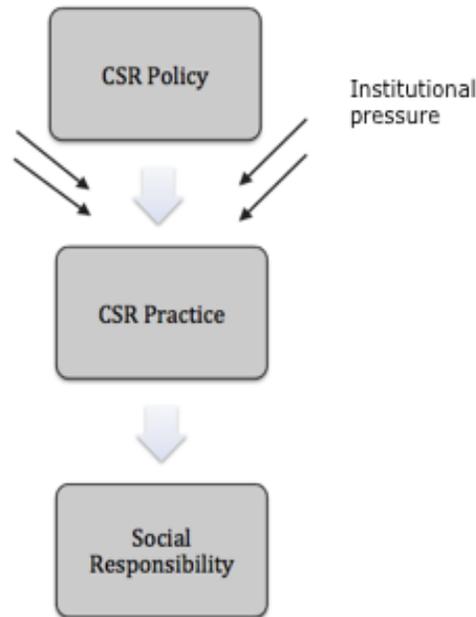
Figure 2. Shows the recoupling process of policy to practice in an organization.

Tim Hallett (2010) describes "recoupling" as a process of institutional myths and organizational practices that were once decoupled, or loosely-coupled, become closely linked. In other words, recoupling is an internal response that is usually introduced as a result of institutional pressure (see fig. 2.). Accordingly, by examining recoupling we are able to focus our attention on links between internal micro-organizational procedures to macro-environmental pressures (Binder, 2007). In Espeland's (1998) examination of recoupling, surprising outcomes could be observed when recoupling was created through commensuration. Espeland (1998), used the case of Orme dam, which was originally viewed by engineers and bureaucrats as a rational way of supplying both water and power. As the engineers became more invested in the beauty of the dam, they began to file ceremonial reports to legitimize the ongoing work of the dam. As a result of commensuration, quantitative techniques began to point out better alternatives to the dam which would ultimately silence the engineers and begin to restore rationale into their proceedings. In this sense, the commensuration recoupled the decision making process from ceremonial processes to the original and more rational logic (Espeland, 1998).

Similarly, Hallett (2010) grounds his research on recoupling to New Institutional Theory using ethnographic data from "Costen Elementary School". He reveals, accountability countered a loosely-coupled order that had been institutionalized by teachers at a local level due to the autonomy that they had been given. Under conditions of accountability, recoupling is likely to occur for a number of reasons. First, accountability is linked to commensuration. By adopting quantitative measures to simplify information, commensuration will alter what we turn our attention too, and how we respond (Espeland et al., 2007). Second, through standardization, benchmarks are created which will facilitate more scrutiny (Espeland & Sauder, 2009). Third, accountability is coercive rationale, reiterating people must be watched (DiMaggio & Powell, 1983). And finally, material rewards and punishment will generally enforce compliance (Hallett, 2010).

3. New Institutionalism

Initially, "institution" as a concept could refer to several sectors ranging from educational systems to more classical understandings of institutions such as governments. Institutions have certain structural features and are divided into formal or informal, they are stable over time, and when one is speaking about it as an institutionalization of a norm, it means that they do not only exist on paper but individuals also follow them (Hall & Taylor, 1996). New Institutionalism (NI) is critically being judged for not being that new as it uses many of the aspects that the older version of Institutionalism uses. However, NI enriches assumptions by providing research tools that lead to deeper analyses, which have generated new insights for organizations, as well as a shift of focus (Peters, 1999).

Institutions are understood as practices or imposing structures that cause individual organizations to conform, either because it was taken for granted that this was the socially accepted way of doing things, or because it was required by regulations and legal frameworks (Scott, 2014). In some situations, individual organizations respond strategically either by decoupling their structures from their operations or to defend themselves in some way from the pressures imposed.

Additionally, there are three views of institutions to take into consideration. The first developed view of organizations is a political view that focus based on game analogy and was introduced by Douglas North (1989). That is to say, rules of the game are provided by institutions whereas the players are made up of separate organizations. North's (1989) view of institutions tends to focus primarily on the processes used to construct institutional rules system (cited in Scott, 2014). The second takes a more neutral position and views structures and procedures of organizations as the institutions themselves. This view, was introduced by Oliver Williamson (1975) which states that systems are designed to not only minimize transaction costs, but also provide governance over production processes. Williamson (1975) focuses more on the organization's economic activities at micro level of economic enterprises. Organizations are typically designed by individual agents to include institutional forms, such as governance structures, in the hope to better manage economic transactions.

Finally, the third institutional view, which is the most applicable to this thesis, was developed in the sociology field from theorists such as Dobbin (1994), Meyer and Rowan (1977), and Zucker (1983). The authors focus primarily on the differences that separate institutional environments and the organizations that operate within them. They do this by addressing the obvious links that occur between societal level processes and formal structures including operations of individual organizations. From the perspective of these sociologists, they see organizational practices as a cultural rationale, seeing that the core of modern culture is organized around instrumental rationality (Dobbin, 1994). Additionally, particular institutional proponents of any given organization are not efficiency focused but rather they have imitated other "off the shelf" patterns. For example, a CSR report may not be designed entirely by the individual organization but taken from a standard framework that has been legitimized by the business society and therefore also approved by the society as a whole. As Meyer and Rowan (1977) stated, "The growth of rationalized institutional structures in society makes formal organizations more common and more elaborate. Such institutions are myths which makes formal institutions both easier to create and more necessary." (p. 345).

In critique of NI, earlier scholars such as Meyer and Rowan (1977) and DiMaggio and Powell (1983) have predominantly focused on how institutional mechanisms constrain organizational structures and activities. Howbeit, new research in the field is giving more attention to the ability for organizations, together with individuals, are able to act strategically, innovate, and contribute to institutional change (Scott, 2014). Undeniably, NI theorists have delivered a multitude of strikingly diverse concepts and with differing causal processes. However, more recent theorists propose that we are able to simplify discussions by narrowing them down to a few central paradigms (Scott, 2014).

3.1. Myths

Myths are commonly referred to as institutionalized products, services, techniques, policies, and programs and are often adopted ceremonially. Yet, conforming to institutionalized rules often creates a dilemma as the rules conflict with the organization's efficiency. Moreover, Meyer and Rowan (1977) argue that most organizations' formal structures deeply mirror the myths of their institutional environment rather than their ground level practices. Myths that are integrated into organizations' formal structures contain two key attributes:

> "First, there are rationalized and impersonal prescriptions that identifies various social purposes as technical ones and specify in a rule-like way the appropriate means to pursue these technical purposes rationally. Second, they are highly institutionalized and thus in some measure beyond the discretion of any individual participant or organization. Therefore, they must be taken for granted as legitimate" (Meyer & Rowan, 1977: 343).

Meyer and Rowan (1977) introduced a proposition, regarding myths that are built into rationalized institutional elements of the organization, "as rationalized institutional rules arise in given domains of work activity, formal organizations form and expand by incorporating these rules as structural elements." (p. 345). The authors further imply two distinct ideas. The first states that institutionalized myths are what define new arenas of rationalized activity, thus producing formal organizations within the industry. The second idea implies that organizations that restructure their formal policies are becoming isomorphic with new myths that have arisen, which will further elaborated in the following chapter.

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However, Meyer and Rowan's (1977) emphasis on "social fitness" for an organization to survive, takes a rather narrow perspective. Throughout their paper, the focus tends to be on an organization's survival, where practices are implemented or decoupled as a response to adopted institutional myths. In other words, it could be interpreted that institutional change is a result of being reactive rather than proactive. In response, Hannan & Freeman (1989) propose changes within an organization are a result of competitive forces within a given environment. Nevertheless, DiMaggio & Powell (1983) build on Meyer and Rowan's (1977) paper by reinforcing the emphasis on institutional isomorphism, specifically coercive, normative and mimetic mechanisms.

3.2. Isomorphism

Key thinkers within the theoretical field of NI have debated how, and why, organizations adopt certain ceremonial procedure into their formal practice. DiMaggio and Powell (1983) argue that bureaucratization and organizational change come as a result of institutional isomorphism to become similar without the goal of becoming more efficient. Isomorphism can be described as a constraining process that drives one sample of a population to mirror other units that inhabit similar environmental conditions (DiMaggio & Powell, 1983). It is therefore no surprise that many organizations will in fact try to adopt similar models to other organizations that have established themselves as both legitimate, and successful in their respected fields.

DiMaggio and Powell (1983) reinstate previously studied types of isomorphism: competitive and institutional. Competitive isomorphism incorporates rationality that focuses mainly on market competition, fitness measures, and segment change. DiMaggio and Powell (1983) believe this view helps best to understand sectors, which operate under free and open competition. In contrast, institutionalized isomorphism is a tool to create deeper understandings of ceremonies that occur in a political context. Furthermore, DiMaggio and Powell (1983) reiterate institutional isomorphism, paying particular attention to coercive, normative and mimetic mechanisms. These mechanisms "make organizations more and more similar without necessarily making them more efficient." (Scott, 2014: p. 185). Interestingly, the three aforementioned institutional isomorphic mechanisms align to the three pillars of institutions, which will be further elaborated in the following section.

3.3. The Three Pillars of Institutions

Scott (2014) defines institutions to comprise of "regulative, normative and cultural-cognitive elements that, together with associated activities and resources, provides stability and meaning to life" (p. 56). The regulative pillar is specifically associated through the implementation of regulatory processes, i.e. rule setting, sanctioning, monitoring and controls. With this in mind, the regulative pillar drives the establishment of rules and analyzes conformity and of course rewards and punishments coerced through sanctions. The normative pillar on the other hand puts emphasis on normative rules, which introduces a prescriptive, evaluative and obligatory dimension into social life. This pillar includes both values and norms, and tends to define goals and objectives, i.e. being the champion, making a profit, but also taking into account the appropriate means to pursue them. The final pillar is the cultural-cognitive pillar that refers to the shared conceptions that are created through frames and social reality where meaning is developed. Through interaction, meaning can arise, often being maintained and transformed throughout an ongoing stream of happenings. Hofstede (1991) believes culture creates patterns of thinking, acting and feeling and often refers to them as the "software of the mind" (cited in Scott, 2014: p. 67).

Arguments among NI theorists lay heavily around isomorphic decoupling. Scott (2014) claims organizations are more likely to decouple when regulatory forms are imposed by external actors. This implies normative and cultural-cognitive elements have less of an impact, yet we believe this cannot be applied where mechanisms from all three pillars are present. Phillips and Malhotra (2008) criticize the three pillar framework by arguing, due to the varying ontological levels that the different elements operate in, it is not possible to align them within an integrated framework. Therefore, they propose that institutional analysis should pay more attention to cultural-cognitive elements, considering normative and regulative mechanisms act as strategic action rather than a function of conditioning one's behavior. (Scott, 2014). Nevertheless, Scott's (2014) statement "it is important to state the truth, that in most empirically observed forms, we observe not one, single element at work but varying combinations of elements" (p. 70), will play a central argument with the research topic at hand.

4. Methodology

This research is a qualitative study which has incorporated an explorative multiple-case design within the Swedish business community. Specifically, we will analyze and compare eight organizations, which not only operate among different industries but also vary in the amount of Employees. Most importantly, we will focus on organizations that have adopted a CSR policy framework. The organizations examined in this study were first analyzed using a consultant/expert assessment matrix titled Grant Thornton Responsibility Matrix - modified (GTRM). This was provided to us by the Head of Sustainability at Grant Thornton, seeing CSR assessment models are relatively sparse in the academic field. Consultant/expert based models are developed through experience and using personal opinions and judgments developed from providing consultancy to organizations when benchmarking practices. These models can be assumed to have been validated and proven through implementation in real life organizational scenario and are therefore more practically orientated (Anand & Kodali, 2008). The answers of the matrix have the aim to confirm on a practical level if the firm's policies and practices are tightly coupled. However, as to the lack of academic testing on the GTRM, we have chosen not to focus our analysis solely on the matrix. Rather we see it as a part of our triangulation of resources needed in order to conduct this study and provide the reader with a visual representation of an integrated policy-practice.

The firms that were examined (see table 1.) for this study includes; Boliden, Enjoy Wine & Spirits AB, Parks & Resorts Scandinavia, Saab, SJ, Swedish Match, Vattenfall and Company X. Company X is a multinational Swedish company with 20,000 plus employees, which we are not allowed to mention by its corporate name due to its company policy. Sweden's reputation for being at the forefront of CSR was an incentive to choose organizations that operate within the Swedish business community. The RebecoSAM, an investment specialist focused exclusively on sustainability investing, revealed Sweden to be regarded as the top listed country when it comes to sustainability in 2013 (Facts about Sweden, 2013). In addition, Burtelsmann Sustainable Development Solutions Network (2016) provide a global report that offers a first look at a country level SDG (Sustainable Development Goals) index. Out of 149 countries, Sweden topped the chart by having an average of 84.5% of the way to have the best possible outcome out

of 17 SDGs. Another interesting note was that all four Scandinavian countries, including Sweden, Denmark, Finland, and Norway, held the top four positions on the index chart (SDG Index and Dashboards, 2016). With this in hand, a case study on certain components of the Swedish business community becomes an intriguing market for researchers to investigate.

Company	Industry	Number of employees	Title of interviewee	Company ownership
Boliden	Mining	5 500	Director of Climate and Environment	Public
Enjoy Wine	Alcohol	38	CEO	Private
Parks & Resorts	Tourism	3 000	Head of Sustainability	Private
Saab	Defence	15 465	Director Corporate Responsibility Coordination	Public
SJ	Transport	4 500	Director of Sustainability	State owned
Swedish Match	Tobacco	5 070	Vice President/ Head of Sustainability	Public
Vattenfall	Energy	20 000	Vice President Corporate Responsibility	State owned
Company X	X	+20 000	Senior Sustainability & CR expert	Public

Table 1. Illustrates company details of the firms participating in the interviews (Buckby & Hyland, 2017).

As mentioned earlier, we have chosen to conduct a qualitative study using an explorative multi-case design as case studies are most commonly used to find deeper understandings of certain communities or single organizations. For example, cases can consist of organizations, nations, communities, police forces and the study can be either qualitative or quantitative. By comparing cases to one another, it can provide a means to deepen understandings of the social phenomenon at hand (Bryman, 2012). Bryman further explains how case studies often favor qualitative studies that often employ unstructured interviewing due to that fact they generate a deeper and more intensive examination of a single case. The combination of these two mentioned concepts give us a multiple-case study where the main argument is to improve theory by creating circumstances that tests if the theory will hold or will not hold (2012).

Multiple-case studies provide the researcher with a means to examine the operation of general causal mechanisms by contrasting or comparing similar concepts. Researchers are becoming increasingly aware of the crucial role multiple-case studies have on understanding causality (Bryman, 2012). The purpose of this study is therefore not to develop a new theory, but rather develop a deeper understanding of why organizations are motivated to recouple CSR practices. Considering mandatory CSR reporting within the EU has only been implemented since 2014, studies have been conducted among only a handful of EU member states (Habek & Wolniak, 2016), few have brought insight on what predominant drivers exist and how they are interconnected. Subsequently, we hope to contribute to NI by pointing out new perspectives of institutional process that shape organizations through isomorphic adaptations.

When carrying out our comparative research, potential problems might be that the companies we have chosen to investigate have different interpretations of CSR, not to mention how they value potential outcomes. Thus, our interpretations could lead to biased results. Furthermore, not all scholars agree with the concept of multiple-case studies. Dyer and Wilkins (1991) argue that by using this approach, the author focus more on the method of comparing cases rather than looking at the specific context. Further potential problems will be discussed in detail throughout the following chapter.

5. Empirical Material and Data Collection

To help answer our overarching research question, we have identified eight companies that show signs of the implementation of CSR policies to practice. Ideally, we aim to collect and analyze primary data by carrying out eight qualitative interviews with a CSR Professional or CSR responsible at each company. We have chosen eight long interviews as McCracken argues this is sufficient amount to undertake for research projects that have a qualitative approach (1988). Due to time restrictions we believe this to be a sufficient amount of interviews, although we can see the benefits of having a greater sample of interviews from each company may have lead to a more refined understanding of CSR recoupling processes. On average, the interviews lasted for 44 minutes each. To increase the credibility of the data collected, we interviewed CSR

professionals, who we were referred to through personal networks. However, a potential problem with relying on professionals within the company may lead to biased information. Nonetheless, it can be assumed CSR professionals are most likely to have greater insights about the subject and its surrounding issues.

We then prepared semi-structured interviews based upon seven major questions, which will be the same questions used for all companies. The decision to use semi-structured interviews was to give the interviewer more flexibility when asking questions that may deepen the understanding of the organization's perspective, yet still ask similarly worded questions that would ultimately result in answers to the aforementioned thesis question. Semi-structured interviews typically use the form of an interview schedule through a series of questions yet the interviewer can vary the sequence of questions (Bryman, 2012). Furthermore, the interviewer has the freedom to ask additional questions when the answers given need to be further explained and understood, therefore enriching the quality of the data that is collected.

In addition, great care must be taken when collecting data, as it might be vulnerable to social desirability bias. Ethical issues are directly related to the integrity of research and its disciplines, consequently it is something that cannot be ignored. Ethical questions to be considered are whether there are issues the author should or should not engage in, as well as how people participating in the research should be treated (Bryman, 2012). Will there be harm to participants or an invasion of their privacy? To prevent this, several measures have been taken. For example, the interviewees are always well informed about the study, they are asked for approval to record and transcribe the material and asked if we are allowed to use names and titles in the research. Material not approved by the interviewee is of course is treated as confidential (Bryman, 2012). Furthermore, using face-to-face interviews at places where the individuals feel comfortable, helps to minimize self-presentational concerns. However, one of the eight interviews was conducted via telephone, which was arranged to better accompany the interviewee's demanding work schedule. This may cause implications since it is hard to judge one's body language in-turn leading to confusions or misunderstandings. Likewise, technical equipment is needed as well as the dependency of a good telephone connection. In contrast, telephone interviews can be an

effective alternative as the interviewee might be less stressed when not having the interviewer physically present (Bryman, 2012).

To ensure cross case comparability when doing a multiple-case study, it is important to have structure concerning interview questions (Bryman, 2012). The companies we have chosen are all operating within the Swedish business community and have all adopted some form of CSR reporting policy. Be that as it may, the organizations vary from state-owned, private, and public. More importantly, half of the selected firms operate in diverse sectors that are prone to high external stakeholder pressure such as tobacco, alcohol, mining and defense industries. On the other hand, the remaining firms operate in markets such as, entertainment, energy, public transport and consumables. As we chose Swedish companies, preferable with their HQ in Stockholm, Sweden, there will be no barriers in terms of distance when carrying out the interviews. Furthermore, by using the same interview questions as a base, it will provide us with the opportunity to compare the information we receive in an organized manner and analyze what prominent drivers exist within the recoupling process by identifying certain patterns or dissimilarities among the cases.

Primary data, collected from interviews, is an effective form of raw data where the information collected has not been changed/biased, or even lost between the collection and transcription of data. The gathering of primary data usually takes time, but creates certainty that the process is of relevance to the subject of investigation (Bryman, 2012). Notwithstanding our preferred choice of primary data, one must be aware of its possible shortcomings. An example could be that the respondents being interviewed do not give accurate information when answering the interviewer's questions, rather they withhold valuable knowledge due to company policy. Likewise, the information could be biased in favor of the company, which may result in false interpretations of a firm's actual practices. Hence, it is important for us to triangulate the primary data with alternative sources of data, in order to be able to answer the research question in a critical manner. According to Stake (2000), triangulation is the process of verifying the repeatability of an interpretation or observation by using multiple perceptions to clarify meaning.

From a practical perspective, each firm will be assessed using the aforementioned Grant Thornton consulting Responsibility Matrix, that assesses the level of maturity in a firm's CSR policy compared to the level of integration within the firm's practices. The model is generally used to make an in-depth and extensive assessment on how integrated CSR is within a firm's strategy. This provides a way to reveal areas in the firm's CSR strategy that can be improved to not only deliver better company performance, but also create increased shared social value for the community the firm operate within. The GTMR is based on a total of 23 questions that are divided into 12 CSR policy and 11 CSR strategic practices. The questions use a scale of 0-5, with 0 being no, or low, and 5 being a yes or high. The answers are then mapped into an excel spreadsheet that illustrates whether the firm is tightly coupled or decoupled.

However, together with the Director of Sustainable Business Services at Grant Thornton, we have modified the model to focus on relevant sustainable policies and practices to be able to map how tightly-coupled or loosely-coupled a firm is between their sustainable practice and policy. Seeing the model has been developed from years of consultancy and field experience, we understand that the results are interpreted as practical assumptions, meaning the results are not theoretically proven. Therefore, once we map the results of how loosely or tightly coupled an organization is, we can then triangulate the data with more in-depth information that is gathered from qualitative interviews and the company's' annual/CSR reports. By doing this we hope to reveal the prominent drivers that influence companies to recouple CSR practices.

Secondary data will include the use of annual reports, CSR reports or even information that is uploaded on the company's webpage. Once again, potential problems might be that the online information may be bias to favor the company, meaning it does not correlate with how the company actually performs their CSR practices. Moreover, secondary data can be risky as variables might be missing or because it is hard to tell what the collection process looked like when someone else has gathered the data. In favor of secondary data, except for it being advantageous to triangulate the primary data we will use, it is argued to take less time and be an efficient means of data collection (Bryman, 2012).

To begin with, the interviews will be transcribed. It is a time-consuming process, yet, will deepen the authors' knowledge of the data. By first carefully listening to the recordings, it will give the advantage to identify the similarities and differences between the companies, including key themes that can be of use for analysis (Gerson & Horowitz, 2002). The data will then be analyzed creating themes built upon concepts extracted from the three pillars of institutions framework. We further aim to compare and contrast the context of statements made by the interviewees and ground it to NI theoretical concepts, in particular, myths and isomorphism. In order to avoid repetition, the analysis will further elaborate on NI theory by triangulating different perspectives within those frameworks. This will lead to a discussion that develops deeper understandings on persuasive drivers that creates a recoupling process of CSR practices to policies. Moreover, there will be insights on further research, as the subject is something that can be investigated in more depth.

6. Findings and Analysis

Interestingly, the GTRM consultancy model, illustrates firms (see fig. 3.) that are larger in size tend to have not only higher levels of CSR policy, but also more integrated CSR components into their strategic practices. However, this is not the case for all eight organizations. SJ in particular was mapped as having the second highest level of CSR policy maturity and was the sixth largest organization studied. In addition, Parks and Resorts Scandinavia, although being the seventh largest firm, displayed a high degree of strategic CSR practice that was comparable to firms with a significantly larger amount of employees.

Without disregard, the aforementioned GTRM is not a theoretical framework and is therefore limited to have any concrete influence on the results found alone. Instead, it will be a complementary source of data collection, that has been guided by expert field knowledge, to triangulate with both theory and qualitative data. Furthermore, we found that some of the questions were irrelevant to companies that were small in size. For example, it would be highly unlikely a firm of 38 employees would be a signing member of the UN global compact.

Grant Thornton Responsibility Matrix - modified
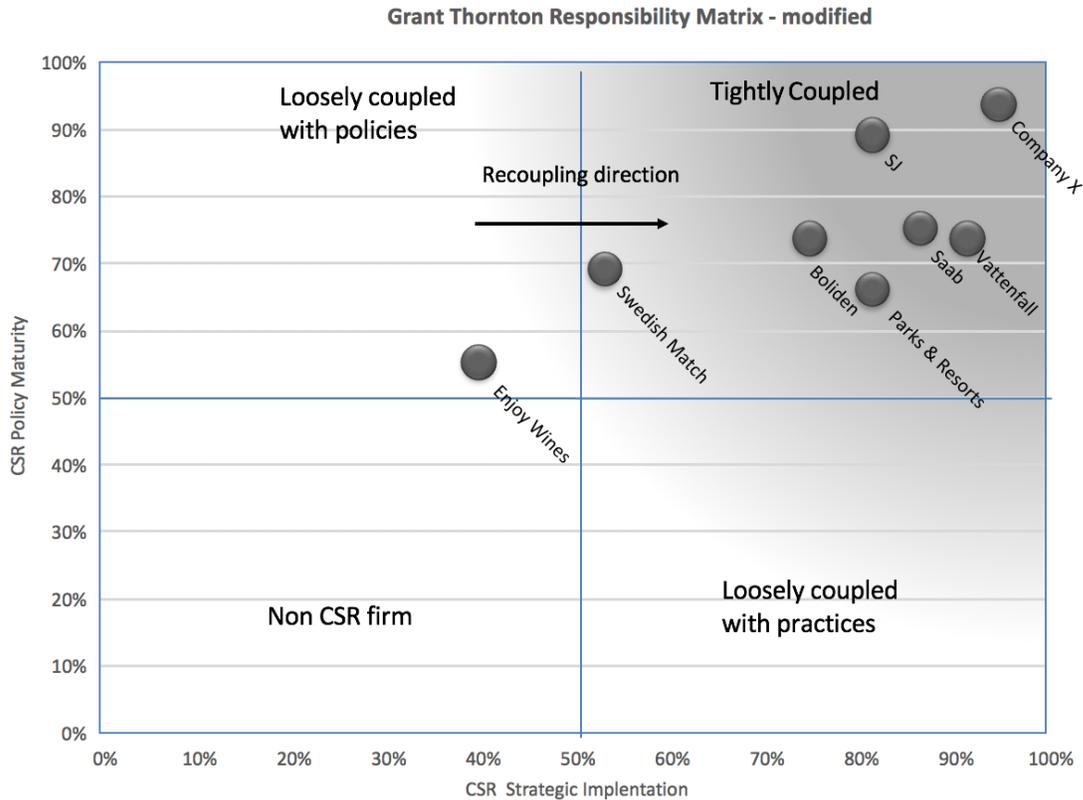
Figure 3. maps out where a company currently is in the recoupling policy to practice process.

The interviews were further analyzed through the three pillars of NI, previously explained under methodology. Common themes were then divided into predominant drivers, which were found to be; laws and regulations, leadership, social/environmental pressure, business performance, and culture within the organization. Some of the drivers were further divided into sub-drivers, including; board of directors, executive committee, owners/investors, implicit business performance, explicit business performance, social issues, and environmental issues. In order to identify what were the main drivers within the recoupling process, we used a coding table (see table 2.) to illustrate what each company believed to be a predominant driver and how often it was discussed. By doing so, we were able to have a clearer overview of not only which pillar was most dominant, but also what each company believed to be the most influential driver. Additional, the table was able to give a representation of how the organizations compared against each other.

Drivers	Boliden	Enjoy Wine	Parks & Resorts	Saab	SJ	Swedish Match	Vattenfall	Company X	Total
Regulative									
Laws & Regulations	4		1	4	2	2		2	15
Normative									
Board of directors	1			3	8		2		14
Executive committee		3	3	4	6	3	1	2	22
Owners, investors					4	2	2		8
Social issues	3	7	2	1	1	3	3	6	26
Environmental issues	4	4			2	1		2	13
Explicit business performance	1	1	2	1	3	3			11
Implicit business performance	1	5		6	6	1	4	3	26
Cultural/cognitive									
Culture of the organization	2	3	3	4		4		2	18

Table 2. consists of a table showing what each company identifies as predominant drivers, the numbers correlate to how many times each theme was discussed during the interview.

6.1. The Regulative Pillar

In general, the regulative pillar was present within conversation with six of the eight firms assessed. With this in mind, regulative focus rarely took over the conversation. Discussions on state laws and coercive measures were mentioned 15 times in the interviews, and was also highly obvious to all firms according to online data used in the GTRM. The smallest firm had not mentioned regulative pressure at all, however Vattenfall, one of the larger corporations in this study, had also overlooked discussing state pressure despite being a state-owned firm. All companies had adopted explicit forms of regulatory processes, including the EU CSR reporting directive. Scholars believe the regulative pillar is defined by eminent regulative processes adopted by institutions such as rule setting, monitoring, and sanction activities (Scott, 2014). The following statements explain how the regulative pillar has some bearing within the recoupling effect:

"The Statsminister in 2014, decided that all state owned companies should report accordingly to the Global Reporting Initiative, and that was the actual start, they pointed out the direction for all state owned companies" (Head of Sustainability, SJ)

"It is just to formalize what we are already doing, and why, because the society around us, meaning both the people who work here, also our suppliers, the law and regulation, and everyone is asking for it" (Head of Sustainability, Parks & Resorts Scandinavia)

"It is sad to say, but I think common regulation is the main force, if I say this will be legislation in two years we have to start now, everyone will be on board" (Head of Sustainability, Saab)

"Not only finding and taking care of the rules in Sweden, but being above and beyond that" (Vice President/Head of sustainability, Swedish Match)

It is easy to see why organization will adopt certain procedures when it comes to abiding by the law. Interestingly, when we view CSR as an institutional myth, NI explains myths as official legitimacy based on legal mandates. Societies that emerge through state formation often produce rational-legal orders that will give appropriate legal authority to institutions that can provide legitimacy to particular organizational structures (Meyer & Rowan, 1977). In other words, organizations can be deemed legitimate when they adhere to formal guidelines, such as the GRI (Global Reporting Initiative) standards that have been set by law. These regulatory myths then begin a process of coercive isomorphism.

It is not uncommon for changes to occur within organizations as a result of a government mandate. In this case, organizations are required to adhere to environmental regulations, hire third party auditors, and be transparent in all the positive and negative impacts. This coercive isomorphism encourages companies to recouple introduced policy with company practices through legitimization from both formal and informal pressures (DiMaggio & Powell, 1983). For example:

"Some things are really important, like anti-corruption and environment, and it's law and we have to comply" (Head of Sustainability, Saab)

"People will do things if they are told it is the law, which will also make my job easier to implement the practice" (Head of Sustainability, Saab)

"For us it's obvious, we have to do it" (Director of Sustainability, Boliden)

6.2. The Normative Pillar

When carrying out and analyzing the interviews, we found that the themes discussed laid heavily within the normative pillar. Three themes were identified, that were further divided into seven sub-drivers and discussed in total 120 times. The themes were leadership, social pressure and business performance.

6.2.1. Leadership

The first theme was leadership, which was further divided into sub-drivers; Board of Directors, Executive committee, and Owners/investors. This theme falls under the normative pillar as normative systems empower and enable social action. They also present responsibilities, duties, mandates and privileges (Scott, 2014). In addition, normative behaviors can include a sense of shame or disgrace when those norms have been violated, which may put pressure on leadership to stay within those boundaries (Scott, 2014):

> "I think it was when the top realized what impact it has for the future, they started with this good pressure" (Vice President Corporate Responsibility, Vattenfall)
> "I think it due to the leaders of the companies of course, to see that the connection is very clear." (Director of Sustainability, SJ)

Board of Directors

In total the board of directors were mentioned as a driver for CSR a total of 14 times among four of the eight organizations. However, in all of the companies we found that the boards of directors are involved in the recoupling process, as their approval is necessary for top management to begin implementation from the top-down. We also found that this is usually done twice a year at the board meeting, at times even more frequently. Moreover, data collected for the GTRM reveals five out of eight companies have a sustainability board set up, yet only three companies have sustainability as a standing agenda at all board meetings. The following statements show the inclusion of the board within CSR recoupling:

"The chairman of the board, was also the CEO at green cargo when I worked there... and he speaks more of sustainability than I do, he has been working with the department by educating other boards in the sustainability area" (Director of Sustainability, SJ)

"I think the expectations come from the board of directors that they really have the expectation that we do this" (Director of Sustainability, SJ)

Regarding the former statement, Meyer and Rowan (1977) believe myths can be generated by certain practices and are diffused through networks gaining legitimacy on the belief those practices are rationally effective. This aspect is known as professionalism and plays an important part of isomorphism. Professional networks that bridge together other organizations, have the ability to rapidly diffuse new models, for example CSR strategies (DiMaggio & Powell, 1983).

Apart from SJ, it was rarely mentioned that the board of directors were the crucial driver although in some instances they were believed to have considerable impact on an individual practice:

"I think actually, it's the board, because we have talked a lot about diversity… and I think the board said, we can't just talk about gender diversity" (Director Corporate Responsibility Coordination, Saab)

"I think it was basically because the board wanted to go towards a more integrated form of [CSR] reporting…" (Director of Climate and Environment, Boliden)

In addition, a great example where the board of directors were involved in the process, but were not the main driver;

"We have top managers involved, CEO and President. And then we have been in contact with the board of directors in order to inform them and involve them in the sustainability [CSR] process…we are presenting the performance to the board, twice a year, or if needed or if of importance, we also involve the board". (Senior Sustainability & CR expert, Company X)

Executive Committee

The executive committee as a driver for CSR practices was discussed by seven out of eight respondents. The CEO seemed to play a prominent role in guiding many of the executive committees for the implementation of CSR practices. Moreover, the GTRM points out six out of the eight firms use a CSR decision-making model that is applicable to all strategic decisions. The following statements show the CEO to be an essential role in implementing CSR practices;

> "We have a strong intention within the company, coming mostly from me as a CEO, if there is a strong power within the company it is easier to implement the practices rather than if you have pressure only from the outside of the company" (CEO, Enjoy Wines & Spirits AB)
>
> "The pressure came from our former CEO as he got a really strong feeling for this as he saw the need for more female engineers" (Director Corporate Responsibility Coordination, Saab)
>
> "...we had strong involvement by our CEO and five members of the group management team, along with the sustainability department to determine what is the most important thing for Swedish Match, what are the key focus areas?" (Vice President/Head of Sustainability, Swedish Match AB)

On the other hand, it was important to note that practices in some firms were often sort out by the sustainability team and then presented to the top management before being implemented:

> "With my team, we try to scooter [identify] out and see what different types of practices there are, and then have a discussion with the business and see what we can pull together" (Vice President Corporate Responsibility, Vattenfall)
>
> "Well the board likes this, they want us to do it, but it's not coming from them, it's us doing it, and they like what we are doing" (Head of Sustainability, Parks & Resorts Scandinavia)

The executive committee must continually evaluate the formal structure of the firm and in turn take the correct measures to implement certain ceremonial myths that are in place. Organizations have to adapt and design the formal structure so that it adheres to the myths, which are subjected

by the environment (Meyer & Rowan, 1977). In this sense, the executive committee must demonstrate that they act on collective valued purpose in a swift and acceptable manner. Therefore, it is understandable that it is in their best interest to have CSR practices tightly-coupled to overarching policies:

> "So all the quarterly meetings with the CEO, CFO, Chairman and the Minister, they are always bringing up the sustainability aspect" (Vice President Corporate Responsibility, Vattenfall)

No doubt, the executive committee play an important role in the survival of the organization. The success of an organization depends heavily on the control and efficiency of productive activities (Meyer & Rowan, 1977). Therefore, CSR activities must be negotiated and approved by the firm's leadership.

Owners, Investors

Out of the eight respondents, only three mentioned owners and investors as a predominant driver that triggers the CSR recoupling process. One company, SJ, did mention it twice as many times as the two remaining companies, which was Swedish Match AB and Vattenfall. Furthermore, SJ and Vattenfall are state-owned, which might be the answer to why they have a higher pressure from the owners and investors. In general, owners and investors seem to play a relatively small role compared to the obligation of the board of directors and the executive committee among these companies. Nevertheless, the following statements show the importance of the owners and investors for the three previously mentioned companies:

> "We are all on this together, it is really coming from the top, and our owners are really on this question as well, when we meet up with our CEO and our Board of Directors" (Director of Sustainability, SJ).
> "Of course it helps that we have an owner that is constantly asking for having the dialog (on sustainability) ... A little bit even from investors" (Vice President Corporate Responsibility, Vattenfall)

"I would say we have three drivers. One of them is our owner, the shareholders of the company… So again, maximize shareholder value and being relevant." (Vice President/Head of Sustainability, Swedish Match AB)

It can be assumed, that it is an owner's agenda to encourage the survival of their organization. Internal participants are known to call for institutionalized rules, in the hope to prevent organizations from failure, by promoting trust and confidence within outputs (Meyer & Rowan, 1977). DiMaggio & Powell (1983) argue, organizations that adopt institutionalized myths are known to be more successful and legitimate, thus can increase the likelihood of survival.

6.2.2. Social Pressure

The second theme within the normative pillar is social pressure, further divided into two sub-drivers, social and environmental issues. Social issues were related to the consumer/customer, community, and supplier pressure considering normative systems include both values and norms which are constructed of standards which specify how things should be done (Scott, 2014). However, environmental issues were mentioned a total of 13 times, therefore it was also recognized as a sub-driver falling under social pressure.

"So it is the license to operate, if we don't get the acceptance from society then we cannot open new mines and we cannot operate our smelters… and that is all baked into this social license to operate, we need to get the public and social acceptance for what we are doing, and I think that is one of the main drivers." (Director of Climate and Environment, Boliden)

"...it's our stakeholders. We are periodically analyzing with our stakeholders that most important issues and challenges that they are facing and that we are facing in terms of our relationship, in terms of impact on the society and also the planet, so that is the main force." (Senior Sustainability & CR expert, Company X)

With that being said, we are further able to understand why organizations are adopting sustainable procedures to align with society. Many formal structures of organizations in postindustrial society, often take on myths that reflect their institutional environment rather than their work activities (Meyer & Rowan, 1977). When societal legitimated elements are

incorporated into an organization's structure, they are more likely to be legitimized increasing valuable resources and survival assurance (Meyer & Rowan, 1977).

Social issues

Compared to all themes identified in the discussions, social issues, was the equally most frequently mentioned sub-driver. Social issues were mentioned among all eight respondents, not to mention six of the eight interviewees believed it to be a persuasive driver. The findings reveal that Enjoy Wine & Spirits AB, the smallest of the organizations analyzed, argued social issues to be the main driver as their core product, alcohol, can affect the society in a negative way:

> "...CSR is also a question of taking responsibility of what we are dealing with. I mean, it is easy to think that you should have organic products, you should compensate for the environmental issues. And we do that, but we also have to take responsibility for the products we are dealing with. And alcohol is the reason for a lot of damages and is a huge cost in the society." (CEO, Enjoy Wine & Spirits AB)

In addition, when discussing one of the individual diversity policies at Saab, the question was raised as to where the pressure for that particular policy came from;

> "...it's the trend in society, there is very much talk about diversity" (Director Corporate Responsibility Coordination, Saab)

The aforementioned statements display norms that are transformed into rationality. Norms of rationality exist in specific understandings, rules and meaning which present themselves into institutionalized structures (Meyer & Rowan, 1977). These norms of rationality can be assumed to have taken shape from the needs and beliefs of society. These beliefs are prescriptions – normative expectations – that guide the relevant actors on how to behave (Scott, 2014):

> "...we had a lot of resistance from the producers in the beginning as they asked why they had to do that and asked who cared about that. But the Swedish consumers' cares about that, Systembolaget cares about that." (CEO, Enjoy Wine & Spirits AB)

"We are also working quite a lot with how to implement or how to work with the global goals agenda 2030." (Director of Climate and Environment, Boliden)

Environmental issues

Environmental issues were discussed as a driver 13 times among five of the respondents. Transportation and energy consumption were commonly spoken about when referring to environmental issues. However, the companies that mentioned environmental issues as a predominate driver were those operating in industries where production has a high and sometimes negative impact on the environment, therefore have motivation to correct it:

"We are very focused on the environmental impact, we want to minimize our environmental impact" (Director of Climate and Environment, Boliden)

"So our program is now to try to convert as much as possible to organic, and we know it also benefits the growing and the environment." (CEO, Enjoy Wine & Spirits)

"...we have challenges in terms of climate change, we are responding in terms of how to reduce our negative impact and how to increase our positive impact in the society." (Senior Sustainability & CR expert, Company X)

In addition, data collected in the GTRM shows all organizations are improving efforts to reduce energy consumption. A further six out of the eight organizations implement practices that adhere to environmental management systems. Seven from eight of the organizations have an environmental policy. And finally, all of the firms analyzed conduct some form of energy audit. Energy audits and means to reduce energy consumption generally need the applications of new technologies in order to achieve and accomplish efficiency goals. Thus, technologies are introduced as institutional myths that become binding on organizational procedures of production as a means to accomplish organizational ends (Meyer & Rowan, 1977).

Although, environmental issues were discussed much less than social issues, the lengths that all organizations are willing to go to is obvious. Society has pressured firms to operate under certain expectations in-turn constraining their actions to coexist within standardized social norms and behaviors.

6.2.3. Business Performance

The third Theme within the normative pillar is business performance, also divided into two sub-drivers, implicit and explicit business performance. This falls under the normative pillar as normative systems generally define objectives or goals, for example making a profit or winning a game (Scott, 2014). In total, business performance was mentioned 37 times and among all companies more than once. The division between implicit and explicit is further explained under each sub-driver. When asked "what is the main driver that motivates CSR practices to be implemented?", half the respondents discussed financial performance to one of a combination of factors:

> "I would say it is actually the conviction that we will make more money in the long run, financial performance." (Director of Sustainability, SJ)
>
> "I think the main driver is really the awareness if we don't do things in a sustainable manner, we are not going to be profitable in the future" (Vice President Corporate Responsibility, Vattenfall)
>
> "I would say that you have three drivers... the second is from an operational standpoint, we create value in the company in terms of our allocation of costs" (Vice President/Head of Sustainability, Swedish Match)

Moreover, according to data in the GTRM five out of eight firms had a clear understanding of the positive relationship between financial performance and sustainable practices. The remaining three were aware yet believed they could increase the awareness. This concurs that business performance is an important factor as to why organization will recouple sustainable practices.

Explicit Business Performance

Explicit business performance was mentioned 11 times among six out of eight companies. In regards to instrumental goals of profitability, improved business performance is seen directly in a monetary view, for example using less energy reduces the energy costs so the organization directly saves money:

"If you are cutting down electricity, you also cut down your costs. If you are becoming more efficient in your process and are cutting access costs, you are improving your business. So again, it is a process and yes we are." (Vice President/Head of Sustainability, Swedish Match)

When one respondent was asked if CSR improves business performance, the discussion centered around a program that was encouraged by the Swedish energy agency:

"So we implemented that program and they gave us at that time half an öre [cent] tax rebate on energy per kilowatt and that really isn't very much money, but it was enough to justify to everyone that we would put a lot of effort in working more systematically with energy efficiency measures..." (Director of Climate and Environment, Boliden)

In general, the explicit financial discussion focused more around efficiency and energy use than any other factors:

"If we look at energy use, we show in our numbers that the energy use as a percentage of sales has been going down, which is a result in improving costs. Another one is our paper use that has been going down dramatically and we have worked harder and harder to cut that paper use. That leads to an economic benefit in hundreds of thousands Swedish crowns per year." (Vice President/Head of Sustainability, Swedish Match)

Implicit Business Performance

Alongside social issues, implicit business performance tended to outweigh most of the aforementioned sub-drivers when it came to what were the prominent motivators to recouple CSR practice to policy. Implicit drivers were discussed a total of 26 times, and mentioned by all but one of the companies that were interviewed. Implicit business drivers were classed by non-financial performance indicators yet would contribute to long-term survival of the company. For example:

> "We changed our vision about a world without cigarettes and we are committed to get people to stop smoking inhaled tobacco. Why? It's good for business." (Vice President/Head of Sustainability, Swedish Match)

Implicit business performance drivers were generally discussed as long-term benefits. For example, company branding and attracting the best staff would no doubt increase the chance of survival in the future. By binding employees to act in good faith, an organization's long-run effectiveness may be increased (Meyer & Rowan, 1977) Additionally, trust would give employees incentive to be loyal and work more efficiently for the firm:

> "For example, female managers and social contribution, is not law, it is more by free will, but still good for trust and for our company's survival in the long run." (Director Corporate Responsibility Coordination, Saab)
>
> "Right now we invest, but in the long term it will help us to grow the profit and the business and it will also help us to attract new employees" (CEO, Enjoy Wine & Spirits AB)

The success and survival of an organization, depend not only on efficient coordination and control of activities (Meyer & Rowan, 1977), but also non-financial goals that are tied to sustainable development:

> "I think it became very evident for the top executive and the board members that there are some many aspects around sustainability [CSR] that triggers and they saw that the long-term profitability is dependent on being a company that is sustainable." (Vice President Corporate Responsibility, Vattenfall)

Having in mind that sustainable development is seen as an investment for most companies, one of the respondents discussed the future of their firm's sustainability strategy if the company had a downturn in financial returns;

> "I hope and do believe, that if the results are going down that we will come to the conclusion that we can't afford not to do it, so this is something we need to keep doing

because in the long run we will make more money if the leaders steer this company in the broader perspective." (Director of Sustainability, SJ)

With that being said, organizations are starting to see sustainability as an institutional myth having purpose that contributes to instrumental and quantifiable goals. Selznick (1957) believes it is important to understand institutions from a perspective of those who work within them "between strictly instrumental attachments needed to get a particular job done and the deeper commitments that express one's enduring loyalty to the purpose or purposes that lie behind doing the job in the first place" (p. 101).

6.3. The Cultural/Cognitive Pillar

Themes that fell under the final pillar, cultural/cognitive, were mentioned in the interviews a total of 18 times. Interestingly all but two firms discussed cultural themes to be a driver for implementing CSR practices. According to the GTRM, those two firms happened to be the state-owned firms that ranked very high for CSR policy and strategic maturity. Moreover, the companies that mentioned cultural themes the most, four times, operated in the tobacco and defense sectors. According to a number of the respondents, the importance for organizations to have a company culture that aligns with the employee's cognitive stance on what is right and wrong is imperative:

"Many people at SAAB really want policies to be integrated, otherwise they think it is just something to show off… and I think it is our culture, do first and talk later, not talk first and do later. I think is is a cultural thing that we want to do something we stand for. Maybe Swedish but also Saab-ish." (Director Corporate Responsibility Coordination, Saab)

"The reason why we are implementing these policies, is we have a long tradition, the company has been working many years, so it's part of our DNA, it's part of our culture" (Senior Sustainability & CR expert, Company X)

In addition, it is said the evolution of organizational language is one of the most critical aspects of isomorphism (Meyer & Rowan, 1977). Labels and vocabulary that are used to define company

goals, policies, and practices must become comparable with the vocabularies used by the individuals to give motivation for their activities (Blum & McHugh, 1947; Mills 1940). In other words, employees need to be made aware that sustainability policies are aligned with their own beliefs. Therefore, firms are making an effort to better understand what fits best into company culture, so they can facilitate cultural incentives that can drive the participants of those practices:

> "We also send out a survey that asks questions like 'How proud are you of being in the company, are you aware of our sustainability process? Would you like to know more about what is going on?'… Sustainability [CSR] issues should for the most part make employees happier." (Vice President/Head of Sustainability, Swedish Match)
>
> "The main thing is we actually do it, and the other thing is, to be able to do something you have to keep the spirit up among ourselves, internally, and then you can put it on paper." (Head of Sustainability, Parks & Resorts Scandinavia)
>
> "I think it is also becoming more important for the people who work for the company, that we are a good citizen and a good neighbor, and people don't want to work for a company which do not have this acceptance, you could call it reputation." (Director of Climate and Environment, Boliden)

6.4. Analysis of Recoupling Processes

Interestingly, the GTRM illustrated a pattern of companies with the highest number of employees not only being more mature in CSR policy implementation, but also had highly implemented strategic CSR practices. Some of the data observed in the GTRM revealed six of eight firms had implemented practices from the global reporting initiative, additionally the remaining two companies had partially implemented those practices. Moreover, five companies had implemented practices that adhere to environmental reporting guidelines, whereas three had not. Those remaining three companies also happen to be the three of the four smallest, being Parks and Resorts Scandinavia, Swedish Match and Enjoy Wine.

When discussing how the firms go about the recoupling process or implementation of CSR practices, it was evident that many of the firms implemented practices that adhered to institutional guidelines:

"...we were embracing the guiding principles and we reactivated the work on human rights for example, so we decided to report according to the reporting guidelines and it's helping is to report our work, to respect human rights and our challenges...[regarding] different processes within the company, we have put in place new controls and new ways of working to ensure that the company is respecting human rights." (Senior Sustainability & CR expert, Company X)

"...we are also working quite a lot with how to implement or how to work with the global goals agenda 2030, which I think is important..." (Director of Climate and Environment, Boliden)

Hallett (2010) argues, to understand the components and outcomes of the recoupling process, it is imperative to take a local stance vis-à-vis theory and data. Accountability has the ability to effectively pressure firms to uptake certain standards, efficiency, transparency, and quality by awareness of surveillance from external parties (Abelmann et al., 1999; Ladd 1996). In this sense, when myths are adopted and implemented they become endogenous to a firm's strategy, overtime the meaning is transformed when it is subject to local pressure (Hallett, 2010). In other words, when CSR policies and guidelines are adopted from external institutions, Firms implement those guidelines by giving it meaning that can be connected to their overall activities and goals. Two of the respondents elaborated, that recoupling processes were also improved by a means of goal setting that typically fell under normative reasoning, these goals were often controlled by ongoing follow-ups:

"...if we have a goal, for example that we should half our use with marketing consultants, because marketing consultants are a risk, our ambition is to lower that number, then we will do that year by year." (Head of Sustainability, Saab)

"...we have quarterly follow-ups looking at who is responsible, and what type of actions need to be put into place to achieve the goal, we are monitoring and following that on a quarterly basis and we are reporting to top management in order to have a complete alignment with other initiatives." (Senior Sustainability & CR expert, Company X)

"What we do is that we are carrying our KPI's, key performance indicators, within all of these areas that we work in. But it is a moving process and we will grow and develop those things." (Vice President/Head of Sustainability, Swedish Match)

This correlates to Hallett's (2010) findings, which proposes recoupling may occur under conditions of accountability, particularly commensuration. Commensuration involves simplifying and quantifying information, which in turn creates a measure that organizations are able to respond to. Meyer and Scott (1983) believe the conditions that can successfully affect coupling processes within technical sectors, rely on the efficient control on work processes, not to mention conformity to macro-cultural myths. It was evident respondents had a willingness to improve their sustainability efforts:

> "We implement it all the time, but we have to do it better each year and we can always develop, and with we have developed more and some a little less." (Head of Sustainability, Saab)
>
> "...we need to be transparent and communicate if we have not succeeded on that goal, but we are trying our best to achieve that goal." (Senior Sustainability & CR expert, Company X)
>
> "...we sent out the code of conduct to all suppliers. For now, we have about 80% hit-rate, meaning that we got our Code of Conduct signed by 80% of our suppliers...Of course we want to have 100% of the Code of Conduct signed from our suppliers." (CEO, Enjoy Wine & Spirits AB)

More importantly, recoupling processes rely not only on agents that believe in it, but also good employees that follow through (Hallett, 2010). Both Vattenfall and Enjoy Wine understand the importance of having all participants onboard and comprehend the underlying meaning of CSR:

> "I think that everyone cares about it and everyone realizes that if we do it correctly, it will be beneficial for us. So in a sense we are still very early in our journey. But when I compare when meeting other companies, I think we have come a long way because of the awareness." (Vice President Corporate Responsibility, Vattenfall)
>
> "Again, some of the product managers are very keen about this so they are open minded to put this on the agenda on every meeting...CSR is about influencing and doing good." (CEO, Enjoy Wine & Spirits AB)

However, some challenges were recognized in the recoupling process, especially among the

companies operating within a vertical hierarchical structure:

> "... it's not so difficult here at HQ, everyone has their own goal contract, you see everyone daily, but if you come out in operations, our leaders have about 40 staff below them, so to have this contract discussion with all of them, that is difficult, especially because they aren't in one place." (Director of Sustainability, SJ)

Ending the interviews, the question was asked; "are there any sustainability practices that the company are performing at the moment that you may discontinue in the future and if so, why?". All of the companies agreed upon the fact that they did not plan to discontinue any of their CSR practices that were already implemented. Three of the companies, Saab, Boliden, and Parks and Resorts Scandinavia gave a direct answer that they could not think of any reason to do so. The remaining five companies did however discuss the question to some extent:

> "I think we will go the opposite way and implement more things to build more bricks to build the sustainability house so to say... I think what we do with the code of conduct, climate compensation, the checklist, and what we do internally will improve. Especially what we do internally as we have to get the whole company onboard. So the answer is no!" (CEO, Enjoy Wine & Spirits AB)
>
> "No. I mean, if we would change our business, obviously we need to evaluate the practices and the initiatives. Depending on the business and scope of activities, new practices might need to be put in place." (Senior Sustainability & CR expert, Company X)
>
> "With those six core focus areas, we will of course change them as we go along but really having this is way better than having the GRI G3 standard and just ticking of the boxes." (Vice President/Head of Sustainability, Swedish Match)

In particular, the state-owned firms, Vattenfall and SJ, argued that many practices could possibly be modified as the external and internal environment constantly change. Meyer and Rowan (1977) imply, "as rationalizing myths arise in existing domains of activity, extant organizations expand their formal structures so as to become isomorphic with these new myths".

7. Discussion

In an attempt to narrow down the research gap between recoupling of policy to practices, within a CSR perspective, we posed the question: "what are the most predominant drivers for organizations to recouple CSR practices with overarching institutional policies?" Our analysis reveals that recoupling occurs on five different levels, namely within the normative pillar without discounting the importance of the cultural/cognitive and regulative pillar. The five predominant drivers are leadership, external social pressure, business performance, regulations and the culture within the organization. It is important to note, by generalizing the findings, the recoupling process is facilitated by an overlap of all five drivers rather than any individual driver. Although drivers can be explained by extracting and contrasting to NI theory, it has rarely been argued for by NI scholars in this perspective.

Egels-Zandén's (2013) work states that previous NI research has shown that recoupling processes are initiated from a number of responses including; increased external surveillance, changes in the types of external demands, and internalized external demands. Furthermore, Egels-Zandén's paper contributes to NI by identifying an additional two factors, which are more trusting relationships between the organization and the stakeholder exerting pressure and factors un-relating to main external pressures, leading to accidental recoupling. Our findings were well aligned with Egels-Zandén, although more importantly, this research goes one step further and identifies how external demands were internalized, specifically through leadership. We found that leadership was separated into three sub-drivers; board of directors, executive committee and owners/investors, all of which were important parties in the recoupling process. However, we found the executive committee played the most central role in not only presenting the argument for CSR practices to the respected participants, but also enforcing the implementation from the top down.

On the other hand, Crilly et al. (2012) proposes that the implementation of CSR practices occur within two different pathways. The first, strategic implementation is imbedded into the awareness of business performance. That is to say, CSR is implemented based on financial rewards. The second pathway, routine implementation, depends on managerial awareness about

CSR. These two concepts align with our findings in regards to both explicit and implicit financial performance, as well as the aforementioned leadership theme. Nevertheless, Crilly et. al's (2012) findings are rather narrow and focus more on the decoupling conditions, therefore fails to incorporate factors such as regulative and external social pressures. In comparison, without neglecting the regulative and cultural/cognitive drivers, our findings reveal a broader perspective and shows that the interdependence between, social pressure, leadership, and the awareness of financial performance is a crucial condition for the success of the recoupling process (see figure 4).
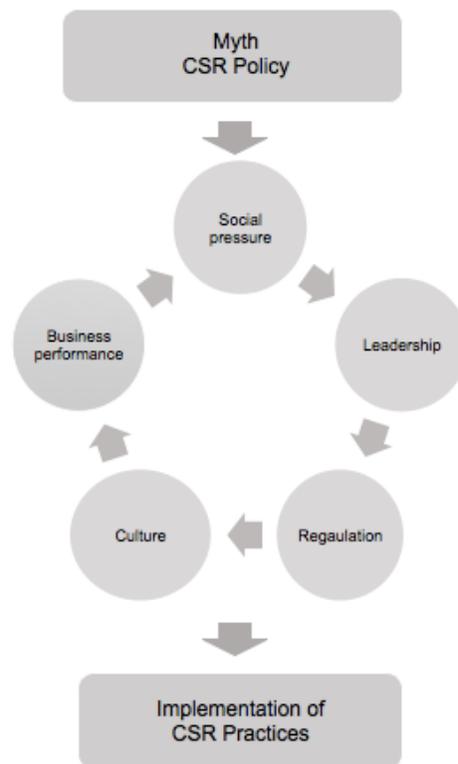
Figure 4. shows the parties playing a role in the recoupling policy to practice process (Buckby & Hyland, 2017).

In addition, our findings agree with NI's concepts of accountability, especially when it came to external social pressure and regulations. Hallett's (2010) research states recoupling processes occur under a rationalized and cultural ideal, such as "accountability". More importantly, accountability is driven by four interrelated reasons. First, commensuration, by simplifying information with quantitative measures. In support of this, our findings display this through

drivers such as business performance. For example, organizations use monetary goals to legitimize the purpose of CSR practices, both explicitly and implicitly. Second, standardization creates benchmarks, which therefore facilitates scrutiny (Espeland & Sauder, 2009). Organizations do this by constantly reviewing their CSR practices to see what weaknesses they have and how they can improve. Third, accountability occurs as a coercive measure (DiMaggio & Powell, 1983). This no doubt applies to the regulative driver, which makes CSR practices much easier for the top management to implement. Finally, implementation is often enforced through the likes of punishments and rewards, particularly obvious in regards to business performance, governmental sanctions, and boycotts from external social actors.

Furthermore, Hallett's (2010) research, carried out within an elementary school setting, argues recoupling accountability occur from a phenomenon he describes as "turmoil", a concept that occurs on two levels. The first being epistemic distress, which is the displacement of certainty, meanings and expectations (Zuboff, 1988). The second, was a response to epistemic distress "by constructing a set of new meanings that created a partisan interpretation of events and defined emergent battle lines." (Hallett, 2010: 53). On the contrary, our research did not find the recoupling process to be facilitated from acts of turmoil and rarely did the respondents discuss any form of epistemic distress. This could be due to the fact that the respondents interviewed were in top management, in contrast to Hallett's respondents, the majority being teachers, were frontline employees. Our study may have differed significantly if the interviewees were taken from middle management and frontline operators. Furthermore, Hallett (2010) carried out 45 interviews, a notably larger sample than the eight interviews carried out in this research.

Although, five prominent drivers were observed within the selected sample group, the findings can not be viewed as a representative sample, meaning "a sample that reflects the population accurately so that it is a microcosm of the population" (Bryman, 2012: 187), as a case study cannot represent a whole population. Rather, a qualitative case study is to generalize to theory (Bryman, 2012).

8. Conclusion

To conclude, we reinstate the notable research gap, which appears to exist between research that suggests an increasing amount of firms are seeing improved organizational performance from the implementation of CSR practices, and firms that are decoupled from CSR practices. Therefore, we posed the following question: "what are the most predominant drivers for organizations to recouple CSR practices with overarching institutional policies?". To answer this, we briefly introduced concepts of CSR being portrayed as a voluntary myth that increases legitimacy and transparency to their stakeholders. Myths are commonly referred to as institutionalized products, services, techniques, policies, and programs which are often adopted ceremonially. Yet, conforming to institutionalized rules often creates a dilemma as the rules conflict with the organization's efficiency. By applying a New Institutionalism theoretical lens, we were able to present concepts to further deepen our understandings of recoupling processes.

To understand recoupling, we then presented its antagonist, decoupling. Decoupling allows scholars to understand policies that were adopted from external pressures yet did not change organizational behavior or practices (Meyer & Rowan, 1977; Bromley & Powell, 2012). In particular, it allows companies to continue functioning with legitimate and standardized structures whilst their practices divert to efficiently adapt to their day-to-day activities (Meyer & Rowan, 1977). In contrast, recoupling is a process of institutional myths and organizational practices that were once decoupled or loosely-coupled become closely linked. In other words, recoupling is an internal response that is usually introduced as a result of institutional pressure.

To begin the analysis, we drew upon well-established New Institutionalism frameworks, such as the three pillars, to operationalize concepts. The framework included regulative, normative, and cultural/cognitive pillars. The regulative pillar is specifically associated through the implementation of regulatory processes such as rule setting, sanctioning, monitoring and controls. The normative pillar on the other hand puts emphasis on normative rules, which introduces a prescriptive, evaluative and obligatory dimension into social life. The final pillar, cultural-cognitive, refers to the shared conceptions that are created through frames and social reality where meaning is developed.

When analyzing the companies of interest, we found five prominent drivers; leadership, social pressure, business performance, cultural/cognitive and regulative pressure. Interestingly, the most prominent drivers fell within the normative pillar, including leadership, social pressure, and business performance. First, leadership was primarily identified as a driver coming from the executive committee, however factors such as board decision-making, and also the influence from owners and investors, played an important role. Second, external social pressure displayed a vital part on the influence of CSR implementation, noting social and environmental issues were at the core of the driver. Third, business performance came as relevance through both implicit and explicit rationale. Intriguingly, implicit business performance alongside social issues were the most highly discussed sub-drivers.

Be that is it may, we were not able to neglect the importance of the regulative and cultural/cognitive drivers. The regulative drivers rarely became a central discussion among the respondents, although it was seen as a universal hygiene level to abide by, therefore increasing the urgency to recouple CSR practices. Similarly, the cultural/cognitive driver was present among the majority of organizations. Although, the drivers did not become the focal point of the discussions, we found that organizations are continually reviewing company culture as a means to discover incentives for employees to recouple CSR practices.

Furthermore, our findings revealed that firms generally implemented practices that adhere to institutional guidelines, which were adopted from external institutions. They were then able to give those guidelines meaning and connect it to their overall business activities. However, recoupling does not come without its own problems, especially among companies with a vertical hierarchical structure, making it difficult to diffuse new practices from the top down to operational units. Yet, none of the organizations showed any signs of slowing down the recoupling process, in fact, the majority hoped to increase the rate of implementation and build upon existing CSR practices. This goes hand in hand with previous research that correlates with the positive effects of CSR to organizational performance (Du et al., 2010; Gössling & Van Beurden, 2008).

Henceforth, this paper contributes to New Institutional theory by not only enhancing previous

research, but also advancing new perspectives of prominent drivers that facilitate the recoupling process in a CSR context. By identifying multiple layers of institutional pressure we were able to point out interdependent factors, that were not necessarily interconnected, to which previous studies had rarely emphasized. Nonetheless, due to limitations of our research, we understand the importance for further investigations.

Potential research could include a larger interview sample in order to increase validity, preferable with front-line employees rather than the top-management. Alternatively, it would be interesting to examine a similar study in another geographical region to identify which predominant drivers for recoupling exist in dissimilar cultural environments. Furthermore, in regards to the implementation of the new EU directive on CSR reporting, the application of focused case studies across different sectors would enrich scholarly debate on the affect of mandatory CSR guidelines. No doubt this will be able to enrich studies on the benefits and weaknesses when recoupling is strictly enforced through regulative means.

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Appendices

1. Questions of Grant Thornton Responsibility Matrix – modified

Due to confidentiality purposes the questions cannot be published, yet can be provided at the examiner's request.

2. Semi-structured Interview questions:

1. Does your firm have any current CSR policy that you're trying to integrate into firm practice, why?

2. Are there any practices that the company are considering to be implemented? What are those? Why?

3. What are some sustainability practices that have been integrated successfully? When did you implement those and why?

4. Have you found CSR practices to be beneficial or made the company perform better? If so, in what way?

5. What is the main force that motivates your company to implement CSR practices?

6. What do you believe are the biggest differences when integrating sustainability practices if you compare today with how it was five years ago? 10 years ago? What about the future?

7. Are there any CSR practices you are performing at the moment that you may discontinue to carry out in the future? Why?

3. Interviews:

Audio file of interview with Director of Climate and Environment, Boliden
Transcription of interview with Director of Climate and Environment, Boliden

Audio file of interview with CEO, Enjoy Wine & Spirits AB
Transcription of interview with CEO, Enjoy Wine & Spirits AB

Audio file of interview with Head of Sustainability, Parks & Resorts Scandinavia
Transcription of interview with Head of Sustainability, Parks & Resorts Scandinavia

Audio file of interview with Director Corporate Responsibility Coordination, Saab

Transcription of interview with Director Corporate Responsibility Coordination, Saab

Audio file of interview with Director of Sustainability, SJ
Transcription of interview with Director of Sustainability, SJ

Audio file of interview with Vice President/Head of sustainability, Swedish Match AB
Transcription of interview with Vice President/Head of sustainability, Swedish Match AB

Audio file of interview with Vice President Corporate Responsibility, Vattenfall
Transcription of interview with Vice President Corporate Responsibility, Vattenfall

Audio file of interview with Senior Sustainability & CR expert, Company X
Transcription of interview with Senior Sustainability & CR expert, Company X

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