



Corporate sustainability and organizational culture

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ABSTRACT

The concept of corporate sustainability has gained importance in recent years in both organizational theory and practice. While there still exists a lack of clarity on what constitutes corporate sustainability and how to best achieve it, many scholars suggest that the pathway for the adoption of corporate sustainability principles leads via the adoption of a sustainability-oriented organizational culture. In this paper, we provide a closer examination of this suggested link between the cultural orientation of an organization and the pursuit of corporate sustainability principles. Specifically, we seek to assess (1) what constitutes a sustainability-oriented organizational culture, (2) whether it is possible for organizations to display a unified sustainability-oriented organizational culture, and (3) whether organizations can become more sustainable through culture change. Directions and challenges for practical management and future research are identified and outlined.

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1. Introduction

There has been much written espousing principles of sustainable development and the need for corporations to pursue sustainability practices (e.g., Sharma, 2003). In recent years, many organizations have introduced or changed policies, products and/or processes to address pollution, minimize resource use, and to improve community and stakeholder relations (Crane, 2000). Several scholars, however, maintain that these changes are insufficient as they are only superficial and not conducive to the formation of sustainable organizations and industries (Hart & Milstein, 1999; Senge & Carstedt, 2001). They argue that in order to fully respond to environmental and social challenges, organizations will have to undergo significant cultural change and transformation (Post & Altman, 1994; Stead & Stead, 1992; Welford, 1995). The central idea is that organizations will have to develop a sustainability-oriented organizational culture when moving towards corporate sustainability (Crane, 1995).

The organizational culture concept has become popular within the sustainability literature as it provides an access point for the fields of Human Resources and Organizational Behavior to enter as explanations for an organization's sustainability performance. However, there is little theoretical underpinning on what actually constitutes a sustainability-oriented organizational culture. Furthermore, there exist only generic prescriptions on how

organizations can realize and implement sustainability-oriented culture change (e.g., Halme, 1997). Extant models and theories on sustainability-oriented culture change have been criticized for an over-reliance on simplified formulae for cultural change, and a lack of insight into how culture change might occur (Harris & Crane, 2002; Newton & Harte, 1997). These models do often not specifically address how culture change should be initiated, monitored and become subject to managerial intervention and control. In this paper, we therefore seek to assess (1) what constitutes a sustainability-oriented organizational culture, (2) whether it is possible for organizations to display a unified sustainability-oriented organizational culture, and (3) whether organizations can become more sustainable through culture change.

2. What is corporate sustainability?

In order to examine the potential link between the cultural orientation of an organization and the pursuit of corporate sustainability principles, we first review and explore the concept of corporate sustainability. We argue that although this concept has received much attention in recent organizational and management studies, there is still little insight into how the adoption of corporate sustainability practices can be achieved inside organizations. Furthermore, we outline how the concepts of corporate sustainability and organizational culture share similarities across various dimensions and provide a conceptual foundation for a more thorough analysis on sustainability-related culture change.

The concept of corporate sustainability originates from the broader concept of sustainability, which itself was shaped through a number of political, public and academic influences over time

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