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Becoming sustainable?

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Societal Relevance and Implications of this Dissertation

The motivation for conducting this research was to contribute to knowledge and understanding of the challenges different organizations, and the individuals who work in them, face when responding to societies' complex and wicked problems. This dissertation focused primarily on organizations and actors contributing to the energy transition, as it is one of societies' best hopes of solving climate change (IRENA, 2022). Climate change is considered one of the biggest threats currently facing humanity (United Nations, 2022). While there are some positive signs of action towards tackling climate change, like the increasing number of influential governments and corporations pledging to net zero carbon emissions by 2050 (United Nations, 2022), action on climate change must move faster if we want to stay within the proposed safe zone of a global temperature increase no more than 1.5 degrees above pre-industrial levels (United Nations Framework Convention on Climate Change, 2022). With the hopes of contributing to climate change actions, this dissertation asked, 'how do organizations and individuals understand and respond to climate change?'. In answering this question, and several sub-questions, the following two themes arose:

1) the individuals and organizations included in this research are understanding climate change through the lens of their many and diverse stakeholders.

2) considering the increasingly complex stakeholder pressures individuals and organizations in the energy transition face, the most common response to climate change was to continue with business-as-usual responses that do not challenge the unsustainable systems and structures that contribute to the climate emergency.

This dissertation makes several calls to action directed toward a diversity of stakeholders in the energy transition. The following sections will highlight the implications of this dissertation's findings for key stakeholder groups and make suggestions for the actions these stakeholders can take based on these implications. For a more detailed description of how actors can implement the suggested actions described below, readers can refer to Table 6.2 in the conclusion chapter of this dissertation.

Managers and Leaders

The findings of this dissertation suggest that alternative ways of measuring the success of managers and projects within organizations is an essential step for identifying and implementing more meaningful sustainability responses. This is based on findings that suggest the more powerful actors in organizations, in this case senior management, can set the agenda for the sustainability issues that align with their interests and prevent actions on sustainability issues that challenge their interests (McCright & Dunlap, 2010).

If senior management are only being reviewed for their ability to maximize financial profits and minimize financial risks, then they will continue to make decisions that prioritize financial outcomes over all else. It is therefore suggested that sustainability KPI's, where social and environment outcomes are on an equal footing with financial outcomes, should be embedded into organizational decision-making processes and performance reviews. These sustainability KPI's can be used as part of an organization's criteria for making major business decisions (e.g., future development projects or acquisitions), conducting performance reviews and bonus schemes, and for future hiring and recruitment decisions.

Study 2 of this dissertation explored how ten European energy companies understood and responded to climate change from 2010-2019. As a result, The Climate Framing Framework (CliFF) was developed to illustrate how energy companies have the tendency to understand climate change through four lenses: 1) 'the business-case', 2) as a 'moral responsibility', 3) as requiring 'disclosure', and 4) as requiring 'technological' solutions to solve. The CliFF provides the structure and language for companies to stimulate reflection of how they are currently approaching climate change and how they would like to approach it in the future. More information on the CliFF, and the actions that align with each of the four lenses described above can be found in chapter 3 of this dissertation.

Study 4 of this dissertation explored how radical organizational identity change - which occurs when organizations drastically change their strategy (Clark et al., 2010) – impacts the individuals working in organizations that are transitioning to net zero carbon emissions. Based on interviews with 34 actors contributing to the European energy transition, five employee identity archetypes are presented: 1) the early adopters, 2) the committed critics, 3) the transformers, 4) the resisters, and 5) the dreamers. The findings show that for most employees, this transition to net zero is a positive experience as it brings closer alignment between their own personal values (i.e., action on climate change) and those of their organization. This can be viewed as a very positive indication that there is growing 'grass-roots' level support from within organizations to take bold steps in solving climate change. However, my findings also show that for others, who are more aligned with the organization's past and have developed skills and expertise that were highly valued by the past organization, radical change can result in uncertainty, insecurity, and fear. If individuals in an organization do not align with the new organization, they can actively work to slow or challenge the change process. It is suggested that the five identity archetypes presented in study 4 can be used by management to identify different employees' responses to radical change and plan different levels of support and opportunities based on these, for example, engaging employees in re-skilling programmes. More information on the 5 identity archetypes and their implications to management can be found in chapter 5 of this dissertation.

Investors

Findings from study 2 of this dissertation demonstrate the diversity of stakeholders that energy companies are required to consider when determining how they make sense of and respond to climate change, including civil society groups, policymakers, the natural environment, communities, and their shareholders and investors. However, the tendency for most of the examined energy companies to stick to the business-case for understanding and responding to climate change suggests that the needs of investors and shareholders are prioritized over others. This draws attention to the importance of climate, sustainability and ESG investing in signalling to companies that climate and sustainability outcomes are of equal importance to financial outcomes. This could be achieved by embedding sustainability KPI's into investment decision-making processes with the hope that this signals to businesses that to gain investment they must prioritize sustainability performance as well as financial performance. Examples of existing sustainable investment funds can be found in chapter 6 of this dissertation.

Multistakeholder Sustainability Initiatives

This dissertation deepens understanding of the perspectives taken by diverse actors operating in the energy transition and the tensions they are faced with when responding to climate change. This can assist in creating more shared understanding amongst actors who may benefit from collaborating on sustainability issues like climate change. For example, multistakeholder sustainability initiatives could be used as spaces to collaboratively discuss the burden of decision-making for climate change and how this burden could be shared across different actors and sectors, i.e., industry and government. Actors could use these networks to share challenges, ideas, and collaborative responses to shared sustainability issues.

Policymakers

In examining ten European energy companies' sustainability reports as part of study 2, it was observed that energy companies are paying increased attention to international agreements like the Paris Climate Agreement and the SDGs, government regulation, as well as growing public awareness and scrutiny of corporate actions. The clear adoption of the SDGs by all ten companies and the increased rhetoric around public perceptions of energy companies, demonstrates the increasing influence these factors have on energy companies and the important role government and civil society actors play in shaping the clean energy transition. It is therefore suggested that policymakers continue to work with diverse stakeholders to formulate ambitious policies that target polluting industries and activities.

Research and Teaching

A key insight to come from study 1 of this dissertation was the tendency for business and management scholars to prioritize firm performance over sustainability outcomes in their sustainability research. It is therefore suggested that business and management researchers incorporate sustainability outcomes into their research during the design phase. It is also important to consider diverse disciplinary backgrounds when it comes to sustainability (United Nations, 2019) which is important not just for research but also for teaching. Teachers in higher education could seek to design and deliver cross-disciplinary sustainability courses that aim to expose students to multiple perspectives and approaches to solving sustainability challenges. If cross-disciplinary sustainability courses already exist within the institution, teaches can instead become advocates for current and prospective students enrolling in these courses. Finally, to motivate researchers and teachers to actively engage with sustainability topics and issues, criteria relevant to research and teaching activities could be introduced that demonstrate the employees' broader contribution to sustainability topics (e.g., environmental, social, governance, cultural).

Contributions to Scientific Research

This dissertation also makes several contributions to the scientific research on sustainability and climate change. This dissertation responds to criticisms that most research exploring sustainability challenges remain within disciplinary silos (Laasch et al., 2020), for example, business researchers conducting research on sustainability through the lens of business, and sociologists conducting research through the lens of sociology. However, many researchers and governing groups now argue the importance of considering diverse perspectives when conducting research on sustainability issues like climate change (Scheyvens et al., 2016; United Nations, 2019), as the issues themselves require diverse perspectives to be solved. My dissertation responds to these criticisms in several ways. First, study 1 conducts a cross-disciplinary literature review of learning and sustainability that takes lessons learnt from other diverse disciplines (e.g., environmental studies, policy, sociology, urban planning) to understand the ways that business and management research and practice on sustainability could be advanced. Second, study 3 applies the concept of reflexive complicity, traditionally explored in sociology, to an organizational context. Third, studies 3 and 4 incorporate perspectives from a diversity of actors contributing to the energy transition, including representatives from industry, government, and civil society groups. This dissertation therefore contributes to knowledge sharing across sectors and scientific disciplines and the deepening of concepts traditionally explored within one field.

Sharing Insights

Findings of this dissertation have been shared at academic conferences, including the Academy of Management (AOM) Annual Meeting and the European Group for Organization Studies (EGOS), as well to audiences of diverse students and academics at Massachusetts Institute for Technology (MIT), Johns Hopkins University (JHU) Carey Business School, Maastricht University (UM) School of Business and Economics and The United Nations University – Maastricht Economic and Social Research Institute (UNU-Merit). Results of this dissertation will also be shared with the 34 actors who participated in the studies, as well as the academic networks of the author and her three supervisors. It is hoped that by doing so, the practical implications and scientific insights gained through this research can be shared with those contributing to sustainability research and practice and broaden the impact of the dissertation's findings.

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