



## **Special Issue Call for Organization Studies**

### **Overcoming Shortcomings of Measuring Organizational Sustainability: Assessing and Driving Societal Impact**

#### **Guest Editors:**

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**Submission Deadline: 31 March 2022**

#### **Summary**

The rapidly grown interest in socially and environmentally sustainable practices has proliferated numerous types of schemes to measure organizational performance and steer organizational behavior towards more societally beneficial outcomes. At the same time, these tools seem to be far from achieving their intended goals. While sustainability schemes such as standards and ratings surely have an important role to play, their widespread use raises numerous questions as to what exactly they cover and measure, how consistent they are, and how they guide organizational behavior in terms of societal impact. At present, these schemes assess and induce organizations imperfectly in terms of sustainable practices. This Special Issue pushes the debate on turning firms and other (e.g., public, nongovernmental) organizations into agents of positive societal impact by inviting contributions that advance our insights into how and when sustainability schemes will effectively capture and drive socially and environmentally beneficial organizational behavior and outcomes. We invite phenomenon-driven contributions from different disciplines, using a variety of conceptual lenses and empirical methods, and focusing on multiple levels of analysis.

#### **Background**

Sustainability has gained the full attention of numerous organizations. Investments in sustainable corporate funds have grown exponentially, amounting to over 100 trillion US dollars in 2020 (UNPRI, 2020). In a similar vein, sustainability reporting has taken off, driven by both mandatory and voluntary regulation (WBCSD & CDSB, 2017). Organizations are increasingly expected to duly consider and demonstrate the social and environmental implications of their behavior (Bromley & Powell, 2012; George, McGahan, & Prabhu, 2012; Jiang & Bansal, 2003). While many organizations have crafted lofty statements suggesting their commitment to the Sustainable Development Goals, we are far off track in solving such problems as responsible production and consumption, climate change, and biodiversity loss (UN, 2019).

In the academic world, research attention to the socially and environmentally relevant behavior of organizations has risen rapidly (Hoffman & Susse, 2018). Platforms like the Responsible Research in Business & Management have united key stakeholders such as scholars, administrators, journal editors, and accreditation bodies to advance societally relevant research and education in business schools (RRBM, 2021). However, measuring the sustainability impact of academic activities remains largely untrodden territory.

Meeting stakeholder expectations requires both transparency about organizational operations and accurate measurement tools. Social and environmental standards, certifications, labels, rankings, ratings, indices, and information disclosure seek to assess and influence these expectations. Applicable criteria and weights vary both across and within different types of schemes (Chatterji & Toffel, 2010; Doshi, Dowell, & Toffel, 2013; McWilliams, Siegel, & Wright, 2006). Measuring sustainability is premised on commensurability or the ability to meaningfully quantify qualitatively different issues and types of behavior (Arjaliès & Bansal, 2018; Espeland & Stevens, 1998; Huault & Rainelli-Weiss, 2011). While displaying marked differences, sustainability schemes aim to evaluate and promote organizational performance in relation to environmental (e.g., energy efficiency, water quality) and social (e.g., working conditions, wages) issues (King & Lenox, 2000; Lee, Hiatt, & Lounsbury, 2017; Lyon & Maxwell, 2011; Reinecke, Manning, & Von Hagen, 2012). Yet, while some measures align closely with organizational behavior and capabilities, others seem to have little bearing on how organizations manage their societal impact (Walls, Phan, & Berrone, 2011; Howard-Grenville, 2021).

### Scope

Given the complex, uncertain, and evaluative nature of sustainability (Ferraro, Etzion, & Gehman, 2015), the conversion of organizations' social and environmental actions and performance into standardized metrics and qualitative criteria is fraught with important limitations (Brunsson, Rasche, & Seidl, 2012). First, the correlation between different sustainability ratings of the same organization is low, because raters differ in their choice of attributes (energy efficiency, biodiversity preservation, etc.) and measurement for a particular attribute (say, direct [corporate] versus overall [supply-chain-wide] greenhouse gas emissions for products sold by a firm). Moreover, some sustainability rankings, certifications, or standards are entirely incompatible with each other (Chatterji, Durand, Levine, & Touboul, 2016), which makes it nearly impossible to adequately assess the environmental and social performance of organizations. For instance, Tesla is highly ranked by some agencies but lowly by others (Wilmot, 2020).

Second, it is unclear whether existing ratings and certifications actually achieve their intended purposes (Reinecke & Ansari, 2015). For example, compliance with standards may precede, not follow, their adoption (King, Lenox, & Terlaak, 2005), and their ceremonial implementation may be unrelated (Boiral, 2012; Bromley & Powell, 2012), or even negatively connected (Wijen, 2014), to achieving the envisaged environmental and social goals, especially when standards are externally imposed (Sandholtz, 2012). And the performative nature of measurement schemes may entail problems of self-fulfilling prophecies (Beunza & Ferraro, 2019) or practices (Hayes, Introna, & Kelly, 2018), especially in the face of power asymmetries (Giamporcaro & Gond, 2016). The effectiveness of standards also depends fundamentally on the granularity of the issue at stake, their translation into local actions (Arnold & Loconto, 2021), and the attention structure within the firm (Ioannou & Serafeim, 2015; Lewis et al. 2014; Durand, Hawn, & Ioannou, 2019). For example, most measures of corporate sustainability fail to include an ecosystem perspective

(Howard-Grenville, 2021) and firms' attention may therefore only be minimally directed at solving grand challenges like climate change (Whiteman, Walker & Perego, 2013). Similarly, organizations struggle to account for issues to do with spatial and temporal scale, while these issues are critical for maintaining ecological resilience (Bansal, Kim, & Wood, 2018).

And finally, sustainability schemes may contribute to unintended organizational practices (Slager, Gond, & Moon, 2012) as well as engender undesired societal outcomes (Howard-Grenville, 2021; Khan, Munir, & Willmott, 2007). For instance, in the race to climb the ratings, some reports suggest that firms alter their organizational boundaries by taking polluting activities off their books through spinoffs or shutting down activities and contracting them with other businesses that face less stringent regulation.

This call for papers pushes the debate forward by focusing on the conditions under which sustainability measurement and behavioral schemes such as standards, certifications, and rankings drive or hamper the achievement of socially and environmentally desired organizational practices and outcomes. We seek for rigorous conceptual and empirical contributions that advance our understanding of schemes that effectively capture sustainability practices and demonstrate when and how they drive societally beneficial behavior and outcomes. Since one single level or discipline is unlikely to offer comprehensive answers, we welcome approaches from the individual, organizational, industry, and field levels of analysis as well as from different disciplines, including accounting, economics, law, political science, psychology, organization theory, and strategy. Studies may pertain to any type of organizations: firms, public institutes, nongovernmental organizations, etc. We also encourage submissions of various methods, including theory building, case studies, ethnographies, simulations, qualitative comparative analyses, experiments, surveys, panel data analyses, and archival research.

Illustrative questions include:

- Are sustainability schemes drivers of societally beneficial organizational behavior or charades masking the perpetuation of unsustainable practices?
- What design and implementation forms of sustainability metrics and qualitative criteria are more likely to drive the desired organizational social and environmental performance?
- What measurement characteristics underlie schemes that constitute more effective signals to consumers and other external stakeholders?
- What are the unintended, positive or negative, strategic and societal welfare consequences of certification and ranking schemes, and under what conditions are do they materialize?
- Can all social and environmental issues be meaningfully quantified and integrated into a single metric?
- What are the strategic implications of organizational actions with outcome trade-offs among or between social, financial, and environmental issues?
- Do social and environmental ratings impact organizational boundaries? If so, how and why?
- What types of sustainability schemes should policy makers sanction?
- Should social and environmental schemes prescribe relative (e.g., best-of-industry) or absolute performance criteria, and should the latter be driven by science or determined by business?

- Should sustainability schemes target mindsets, behavior, or outcomes?
- Do social and environmental measurement schemes distract organizations from implementing larger systemic sustainability transitions, or do they accelerate the widespread adoption of sustainable business practices?
- Under what conditions are sustainability schemes more prone to abuse by their issuers or adopters?
- What trade-offs and complements arise in social and environmental evaluation, and how can sustainability measurement assist companies in acknowledging and addressing tensions between different sustainability components?
- How can sustainability schemes link organizational outcomes to a global societal and ecosystem level impact?

The special issue is particularly relevant for the *Organization Studies* community. It seeks to unearth when and how sustainability measurements will shape organizations and organizing. It targets a readership from around the globe, since it invites contributions from a diversity of geographic settings. Empirical studies have mostly focused on North America and Europe, but we would be thrilled to also see empirical work from other geographic settings. The call is open to a variety of disciplines (including sociology, economics, organization, strategy, and accounting) and methods (quantitative, qualitative, and configurational), including unconventional approaches. The composition of the guest editorial team reflects this diversity in disciplinary and methodical backgrounds.

### Submission

Your manuscript is to be submitted through the journal's online submission system (<http://mc.manuscriptcentral.com/orgstudies>). You will need to create a user account if you do not already have one, and you must select the appropriate Special Issue at the "Manuscript Type" option. The Guest Editors handle all manuscripts in accordance with the journal's policies and procedures; they expect authors to follow the journal's submission guidelines (<http://journals.sagepub.com/home/oss>). You can submit your manuscript for this Special Issue between 15 and 31 March 2022. Informal substantive questions can be addressed to Frank Wijen ([fwijen@rsm.nl](mailto:fwijen@rsm.nl)).

For administrative support and general queries, please contact Sophia Tzagaraki, Managing Editor of *Organization Studies* ([osofficer@gmail.com](mailto:osofficer@gmail.com)).

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### **Guest Editors**

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**Rodolphe Durand** is the holder of the Joly Family Purposeful Leadership Chair and the Founder and Academic Director of the Society and Organizations Center, which he launched in 2009. Previously, he chaired the Strategy & Business Policy department, served as the MSc in Strategic Management's Academic Director. Rodolphe's research interests concern the normative and cognitive dimensions of firms' performance, and especially the

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**Judith Walls** is a Full Professor, holds the Chair for Sustainability Management, and is Director of the Institute for Economy and the Environment at the University of St. Gallen in Switzerland. She also serves as the Delegate for Responsibility and Sustainability for the university and is the outgoing Division Chair of the Academy of Management's Organizations and Natural Environment division. Judith's research focuses on corporate governance and sustainability, both governance aspects such as shareholders, boards of directors and top management, as well as extended notions of governance like stakeholders, social movements, and ecosystems. Her work links social-psychological drivers of leaders and managers to firm level outcomes of sustainability strategy. Her research has received several Best Paper Awards at Academy of Management and Administrative Sciences Association of Canada conferences, and the 2015 Outstanding Paper Award Emerald Literati.

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