Sustainability and Organizational Behavior: A Micro-Foundational Perspective

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Abstract

Organizational behavior is a well-established academic field comprising a comprehensive and wide range of extant literature. In contrast, sustainability and micro-foundational literature constitute significant but nevertheless more relatively recent emergent bodies of work with each having developed particular predilections in the manner in which they are cast and discussed. There is scope, therefore, to bring to bear a range of organizational behavioral insights in conjunction with these areas thereby creating a fusion which surfaces the drivers and antecedents that operate and play out in the dynamic between these domains.

The mechanism employed to do this is through the development of a special issue of papers, drawing on a range of methodological approaches and sectorial perspectives. This is important and has the aim of generating fresh insights and challenging conventional ways of viewing the behavioral dimensions of sustainability and especially through a micro-foundational lens.

The analyses in the special issue underlines and demonstrates the value of engaging a range of national contexts, sectorial settings and historical and contemporaneous perspectives which shed novel light on the confluences of sustainability, organizational behavior and micro-foundations. The Special Issue also suggests future directions that subsequent research may take in these arenas.

Keywords: organizational behavior, sustainability, psychological micro-foundations, context, cultures

Introduction

Organizational behavior is a seminal and multi-faceted domain which has generated multifarious analyses connected with a range of contemporary management and organizational literatures (Cooper, Flint-Taylor & Pearn, 2013; Hodgkinson & Healey, 2008; Luthans, 2002). In contrast, sustainability, as a topic area points *per se* at concerns which have crystallised over more relatively recent decades. Equally, while there has been extensive research on both sustainability and organizational behavior as discrete areas of interest, the questions pertaining to behaviors driving sustainability in relation to various levels of organization are more emergent. While there has been a rounded mix of micro and macro-studies of organizational behavior in a range of contexts, much of the underlying approach that drives investigation into sustainability has tended to build its analyses around macro-orientation rather than micro-orientated environmental perspectives (Andersson, Jackson & Russell, 2013). This predilection in work on sustainability tends to result in a focus on *overall entities* such as, for example, companies or organizations and, moreover, points at the ways in which sustainability interconnects with broad concepts of, for instance, efficacy, effectiveness and performativity rather than, for example, micro-analyses. This *zeitgeist* prompts the concern that such prevailing currents may be prone to occluding a more fused and interactive understanding of the more micro, individual, political, relational dimensions and drivers of sustainability actions, situations and contexts. In recognising this it can also be argued that it is the inter-meshing of myriad micro-events which work to generate macro-situations and contexts (Alcaraz & Thiruvattal, 2010; Porritt, 2007). There is, thus, growing support that an appreciation of sustainability inherently invokes attempts to generate understanding from a more multi-level and multi-systemic perspectives and this is particularly apposite to a refocus of attention on organizational behavioral aspects of sustainability. While initial work has been undertaken, as recently noted by Akhtar et al (2017), despite the fact that various studies have emphasized linkages between firm competencies, networks and sustainability at organizational level, the links between top management tangible competencies, relationship-based business networks and environmental sustainability have not been so well-explored at micro-level.

Therefore, the above outlined context and emergent studies point towards a timely pretext with which to examine the micro-behavioral aspects of sustainability. This special issue responds to this identified need by assembling an original, valuable and insightful set of papers which, in their own ways and particular approaches, cast light on the interaction of organizational behavior with sustainability from a range of perspectives and organizational and institutional contexts. Organizational behavioral issues reside at the heart of the development of sustainable mindsets and stances. However, sustainability is all too often discussed primarily through lenses concentrating on, for example, structure, function, policy and geo-political formulation/engagement, strategy imperative and process. These aspects are of course seminal and important, embodying pan-national initiatives sponsored by, for example, the United Nations and the Principles for Responsible Management Education (PRME) goals on sustainability (Alcaraz & Thiruvattal, 2010). It is nevertheless important to understand that behavior underpins and predetermines all of these in the form of antecedents to planning and actions on sustainability. As Barney and Felin (2013:138) underscore, at the heart of a definition and consideration of micro-foundations is a need to develop and consider a more granular social-aggregative (i.e. the micro-macro linkage) point of view. Namely, these processes are composed of two constitutive mechanisms: aggregation and social interaction (Foss, 2011) whereby: 'organization analysis should be fundamentally concerned with how individual level factors aggregate to the collective level' (Barney & Felin, 2013: 145). Moreover, they raise the caveat that micro-foundations are argued by some observers as merely a symptom of deductive and inductive paradigmatic conflicts and tension. Through this argument it may be construed by some social scientific points of view that micro-foundations constitute largely a corrective mechanism which seeks to address the binary representations of relationships between individuals, structure and organization – a task already achieved through inductive approaches in the view of some commentators. Nevertheless, it may also be underlined that micro-foundations as a domain suggests and offers a greater richness rather than relapsing to recurrent binary representations across contested academic realms.

Micro-foundations also has the potential to point more at processes, situations, gazes and perceptions, from a range of stances and viewpoints, which can work to elaborate, explain, advance understanding and reconcile competing views on organizational behavioral issues. Therein, micro-foundations can provide a translation mechanism and a bridge between perspectives. Building on extant research, we would suggest that

to open out micro-foundational work in this way also facilitates a recasting of sustainability from representations which are all too often functionalist, reductionist and performativity (Spicer, Alvesson & Kärreman, 2009) orientated and there is scope to identify and analyse more processual understandings of micro-behavioral patterns as steps towards building understanding of how sustainability issues operate in organizational settings.

Thus, overall, through the above approach there is potential for a fresh gaze to be cast over the conceptualisation and understanding of theory for practice in the sustainability field (Aragon-Correa, 2013). In pursuit of this aim there is scope to deepen and broaden the understanding of sustainability through micro-foundational work and organizational behavior linking processes and structures in relation to, for example, context, routines, emergence, evolution and dynamic capabilities to explain the emergence, effects of routines, emotion, resilience and capabilities embedded in sustainability (Cooper, Flint-Taylor & Pearn, 2013). These human dimensions, moving beyond more conventional delineated and categorical political or rationale aspects, can play a key role in creating sustainable attitudes and responses (Bansal et al, 2012). The creation of such an agenda opens out the vista on a range of fresh perspectives. For example, a more complex and deeper micro-foundational understanding of organizational behavior in relation to sustainability may assist in reconciling many contradictions and resolving tensions surrounding sustainability. A central concern to be explored here may be the longstanding tensions of, for instance, the reconciliation of economic profit-motive and capitalistic drivers with social imperatives and responsibilities. Moreover, a rich micro-foundational approach can revisit the all-too-common focus on a 'unit of analysis' of the firm/organizational level or, equally, a simplified casting of micro-foundations as a synonym for 'individual' and rather look at a more holistic, systemic and dynamic modelling of sustainability across these areas, eco-systems and collectives (Christensen, Mackey & Whetten, 2014). By taking such steps a catalyst is provided with which to challenge and move beyond the rhetorics and realities of the behavioral drivers of sustainability. Such a project is fitting and timely because fresh approaches will assist organizations in meeting the evolving and changing environments, behaviors and challenges confronting organizations as they evolve future nature of work social structures and conventions.

A brief overview of the papers in this special issue

In this section, we introduce the six papers which constitute this special issue. We discuss their theoretical underpinnings, methodological approaches, findings and overall contributions to the study of micro-foundations of sustainability and organizational behaviors.

In the first article, Xing and Starik examine Taoist leadership and employee green behaviors. The authors take a novel theoretical approach by drawing on the conceptual underpinnings of Leopold's land ethic and Taoist philosophy, which allows them to link cultural and philosophical underpinnings to the micro-foundation of sustainability. The empirical setting includes in-depth narrative interviews with 42 Chinese senior and middle managers and employees of Chinese firms across a wide spectrum of industries. The novelty of the paper is in showing that the Taoist philosophical underpinning plays an important role in influencing Taoist leadership and employee green behaviors: the attributions of Taoist leadership - rejection of domination, reverse thinking, and selflessness - can nurture employee pro-environment attitudes. A vital contribution of the paper is in showing the interplay of Taoism philosophy in the East and Aldo Leopold's land ethic in the West, which sheds new light on understanding the micro-foundations of sustainability from a cultural and philosophical perspective.

In the second article, Elg, Ghauri, Child and Collinson investigate the micro-foundations and routines that can be part of developing a firm's capability for attaining a legitimate and environmentally sustainable position in emerging markets. This paper focuses on the micro-foundations and routines for managing regulative, normative, and cultural–cognitive pressures and adopts an extensive qualitative case study approach

exploring the corporate and subsidiary levels of three Swedish MNEs in Brazil, Russia, India and China. Their study identifies a set of routines for managing each of three institutional forces and supporting micro-foundations at individual, interactive, and structural levels and sheds fresh perspectives on how the institutional context interacts with MNE strategies for achieving environmentally sustainable market positions.

In the third article, Strauss, Lepoutre, & Wood aim to identify the micro-foundations of such sustainability dynamic capabilities and suggest that these might take different forms in various contexts. Specifically this study contrasts moderately dynamic contexts, characterized by frequent yet relatively predictable change, with highly dynamic contexts in which changes are rapid and not predictable. Furthermore, the authors underscore that achieving sustainability in these different types of contexts poses different types of challenges, relies on different forms of employee behaviors, and, is consequently enabled by different individual-level characteristics and different organizational practices and processes. The authors call for a more comprehensive consideration of context by studying how employees' behaviors can affect sustainability at the organizational level.

In the fourth article, Shoham, Almor, Lee and Ahammad employ a micro-foundational approach to examine whether the number of women on an organization's board of directors has a direct effect on its attitude towards environmental sustainability, regardless of the national culture in which the organization is located. This study utilizes grammatical gender marking to explore the impact of the gender of the individual director on the organization's attitude towards environmental sustainability across cultures by empirically examining data from 71 countries from multiple industries, and shows that the organization's level of disclosure regarding its sustainability activities increases with the number of women on the board of directors.

In the fifth article, Carmeli, Brammer, Gomes and Tarba expand on the emergent research of an ethic of care (EoC) to theorize why and how an organizational EoC fosters employee involvement in sustainability-related behaviors at work. Across two studies, this paper investigates the socio-psychological mechanisms that link an EoC and involvement in sustainability-related behaviors. Through the aforementioned mechanisms, the authors explain the process by which an EoC can drive employee involvement in sustainability-related behaviors and thus contribute to better understanding of the behavioral micro-foundations of organizational sustainability.

In the sixth article, Del Giudice, Khan, De Silva, Scuotto, Caputo and Carayannis discuss micro-level actions undertaken by owner-managers, and elaborate on how such actions affect stakeholders in enhancing the sustainability of small and medium enterprises. This paper adopts an inductive analytical approach and shows that owner-managers play a crucial role when engaging in sustainability activities jointly with employees and other stakeholders, through which individual-level actions enhance collective organizational-level sustainability practices.

Collectively, these six papers illuminate the wide topic scope of sustainability and organizational behavior by including micro-foundations of sustainability ranging from cultural and philosophical micro-foundation and embracing a range of sectors, contexts and national settings. Theoretically, the wide range of theoretical perspectives illustrates that different theoretical views and their combination are conducive to developing and understanding the nuances of phenomena such as sustainability which exhibit a range of complexities. In addition, methodologically, the presence of quantitative and qualitative studies as well as conceptual work demonstrates the broad range of possibilities for scholars to investigate the micro-foundations of sustainability from different orientations.

Future research directions

Our focus on the importance of micro-foundations of sustainability resonates with the micro-foundations movement in organization and management studies by emphasizing the micro-level, psychological underpinnings that can facilitate explanations of macro-level phenomena. By highlighting micro-foundations in conjunction with diverse research contexts and methodologies, future research efforts can develop an enhanced understanding of sustainability management. Specifically, we identify three fruitful directions for future research on sustainability and organizational behavior: (1) an inclusive perspective on sustainability management, (2) micro-foundations and mechanisms of sustainability for achieving competitive advantages in international contexts, (3) and traditional cultures and philosophies for advancing sustainability, organizational behaviors, and organization studies.

First, sustainability management includes both environmental sustainability and social-economic sustainability. We propose a pluralist and integrated view towards sustainability in future research endeavours. A recent review points out the distinctive characteristics and diverging assumptions between sustainability and corporate responsibility (Bansal & Song, 2017), we suggest there is the possibility to connect sustainability and corporate responsibility research through the lenses of micro-foundations and organizational behavior. For instance, Xing & Starik (2017) in this special issue offer an initial attempt to bridge these two literature streams together. Furthermore, the notion of responsible business has attracted wide attention from academics, practitioners and policymakers. Responsible business practices can have important implications for individuals, organizations, and institutions, and, reciprocrocally the individual and organizational behaviors can significantly

affect the effectiveness and efficiency of responsible business practices. By embracing the argument that organization and management scholarship should tackle societal and economic challenges (George et al, 2016), the intersection of sustainability and organizational behaviors from a micro-foundational perspective offers a promising venue and sheds revealing insights for research and practice. In connection with this, it should be noted that a majority of the 17 United Nations Sustainable Development Goals (United Nations, 2015) are connected with sustainability and organizational behaviors. The initiatives and actions to achieve sustainable development goals for humankind and society at large call for a holistic and inclusive view on sustainability, so that we might be better prepared to tackle societal and economic challenges facing the world today.

Second, a nuanced understanding of micro-foundations and mechanisms of sustainability suggest potential pathways to achieve competitive advantage for individuals and organizations in international contexts. This resonates with the recent argument for psychological micro-foundations to deliver competitive advantages (Ployhart & Hale Jr, 2014). We see the promising field of linking sustainability and strategic management, especially from a micro-foundational perspective. A number of papers in this Special Issue offer interesting thoughts on how to connect and advance organizations' competitive advantages in international contexts by leveraging micro-foundations of sustainability. In the adjacent field of human capital theory, one useful example emerged in the recent literature on firm-specific human capital and organization performance. The macro-micro divide is arguably not easily bridged (Wright, Coff, & Moliterno, 2014). However, research endeavours that are able to connect macro- and micro-levels can engender novel insights on both theoretical fronts and empirical examinations. This echoes the need to identify and articulate the aggregation mechanisms, urged by the micro-foundation movement (Barney & Felin, 2013). We encourage future

work to explore the social interaction and aggregation mechanisms by using the micro-foundational perspective in sustainability management research.

Third, traditional cultures and philosophies may provide important insights for contemporary sustainability management and organization issues. Organization and management studies necessitate a philosophical and cultural underpinning. The wisdom from the past may offer enlightening thoughts for tackling contemporary organizational issues. For instance, ancient Greek culture has strong implications on leadership and the art of judgment (Shotter & Tsoukas, 2014). By connecting the West and the East, culture and philosophical micro-foundations may generate fresh thinking to design and implement sustainability practice. Xing and Starik (2017) offer an attempt to bridge Chinese Taoist culture, leadership and employee green behaviors from a cultural and philosophical micro-foundation perspective. We urge more unconventional and challenging research to advance sustainability research and practice. Furthermore, West and East may look different on the surface, but share many commonalities. In conclusion, understanding the multifaceted aspects of sustainability through the micro-foundations perspective can help us better understand and predict antecedents, outcomes, and contingencies related to sustainability management and organizational behavior at multiple levels. We invite other scholars from the communities of organizational behavior and sustainability management to join the debate to move forward this interesting and promising research agenda.

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