

SUSTAINABLE DEVELOPMENT: LEGITIMIZATION TO INTERNALIZATION

INTRODUCTION

In 2011, the UN Global Compact – Accenture survey of 107 consumer products manufacturing CEO's from 46 countries reported that 97% of surveyed CEOs embraced sustainability as an important aspect of business strategy; while 51% of those surveyed reported difficulties in the implementation of sustainability across functions. The CEOs also shared that intrafirm complexity is the most significant barrier to embedding sustainability within the day to day operations of the firm (Barringer & Lacy, 2011).

Difficulties in implementing sustainability initiatives have appeared in academic case studies, but otherwise have not been given much attention. Instead, academic literature is replete with studies focused on determining what drives organizational adoption of corporate social responsibility initiatives (e.g. Tate, Dooley & Ellram, 2011; Zhu & Sarkis, 2007). Because interdisciplinary research focuses on the reasons for sustainability initiative adoption, the obstacles of intrafirm complexity and barriers to execution have been largely ignored.

This paper addresses the research question:

What factors contribute to intrafirm complexity such that they inhibit the execution of sustainability initiatives and, ultimately, embedding of sustainable development within the day to day operations of the firm?

Addressing this research question contributes to the body of knowledge by providing a new perspective from which to view the implementation and internalization of organizational change. By examining the legitimization of sustainability within a firm this paper provides researchers, managers and policy makers a clearer understanding of the factors involved in determining whether intraorganizational decision makers and/or social groups will support or reject change that challenges the status quo.

This manuscript addresses the unique attributes of sustainable development, the process by which intraorganizational actors and social groups legitimize change and how managers can use this knowledge to aid their attempts to insure consistent implementation and complete internalization of sustainable management processes. As a result of our research, we propose that the key elements to the successful implementation of sustainability practices include:

1. *Attaining positive legitimacy* judgments from key intraorganizational actors and/or social groups for proposed changes;
2. *Persuading* intraorganizational actors and/or social groups that the *current practices are illegitimate* in light of the proposed innovation;
3. *Insuring* that once the change is adopted that it is supported such that the intraorganizational actors adapt the innovation and insure *a strategic fit* with organizational goals.

Additionally, in support of these key elements to successful implementation, we suggest that there is a judgment process that controls the adoption and implementation of organizational change. As suggested by Tost (2011), this process begins with consideration at the agent level as to the legitimacy of the proposed change. Once the general legitimacy of the change is established, the change is then given a value through the combination of three cognitive evaluations: instructional, relational and moral (Tost, 2011). If the value of the change is greater than that of the current business process the change is accepted; if not, it is rejected. If adopted, the next challenge is to insure that the change is adapted to fit the overall organizational strategy (Meznar, Chrisman & Carroll, 1991). Depending on the legitimacy value prescribed by the agents and/or social groups to which the agents belong, this adaptation may be thwarted despite the seeming adoption of the change. Only when the adoption of change leads to adaption can it truly be said that the change has been internalized into the organizational structure of the firm. (Ansari, Fiss & Zajac, 2010).

Within a sustainability context, this paper focuses on the judgment process beginning with the legitimacy judgment and concluding with internalization. We begin by introducing the social phenomenon of sustainable development. Next, we introduce institutional theory and the roles that the three pillars of institutions (regulatory, normative, and cognitive pressures) (Scott, 1995) play in the formation of sustainable development practices and their implementation and internalization within the firm. A key element of institutionalization is legitimacy. Based on a foundation of institutional theory, we then explore the role of the legitimacy judgment process and how it is affected by the embedded legitimacy of current business processes. In conclusion, the challenges of internalizing sustainable development initiatives are brought into focus through an institutional theory lens and with an exploration of certain sustainable development idiosyncrasies. Environmental and contextual barriers may hinder even adopted organizational changes from being internalized and adapted to fit the overall strategy of the firm.

SUSTAINABLE DEVELOPMENT

The recent flurry of sustainable development activity gives researchers an unparalleled opportunity to explore a sweeping societal phenomenon and its complex implications to the firm. Not only does this movement apply external pressures that require the firm to change its internal processes, it also demands that the firm interact differently with its environment. This perfect storm of diverse external pressures provides an extraordinary setting to study how firms interact with their environment through the lens of institutional theory.

Sustainable development requires interaction between the strategic and operating behaviors of the firm. Managers and policy makers involved in sustainable development are interested in learning more about the implementation of processes and practices that give their organization competitive advantages (Barringer & Lacy, 2011) while supporting the triple

bottom line focus of sustainability (Kleindorfer, Singhal, & Van Wassenhove, 2005). The triple bottom line is a strategic focus that emphasizes the balance of economic, social and ecological emphasis within business strategy (Kleindorfer et al., 2005).

Sustainable development is generally defined as:

"Development that meets the needs of the present without comprising the ability of future generations to meet their own needs"(Brundtland Report, WCED, 1987)

Sustainability literature is diverse and the idea of sustainability has many different connotations and functional attributes; however, a common and central tenet of sustainability is the focus of business strategy on the triple bottom line (Seuring & Müller, 2008).

Because sustainability is a relatively new management topic there are few “off-the-shelf” solutions (Ansari et al., 2010). While implementing sustainability into the day to day activities of the firm, organizations address many interacting parameters and diverse stakeholders through the guise of the triple bottom line (Matos & Hall, 2007). Fragmentation of the external environment and the newness of sustainability are two of the significant attributes that add complexity the process of implementing sustainable development practices within an organization (Ansari et al., 2010).

INSTITUTIONAL THEORY

In order to support managers and policy makers and to advance the understanding of sustainable development and its effect on organizations, it is important to explore the challenges faced when sustainability practices and innovation are introduced into the intraorganizational environment. We suggest that institutional theory provides a perspective that allows these challenges to be interpreted through the examination of environmental pressures and to be further addressed at the level of the individual actor where the problems are composed and systematized (Scott & Christensen, 1995: 306). “Although the focus of institutional theory is on

symbols and means and rules, I believe that it is essential that we not lose sight of the human agents that are creating and applying these symbols, interpreting these meanings and formulating, and conforming to, disobeying and modifying these results” (Scott, 1994:60).

This perspective necessitates a bottom-up approach application of institutional theory as advocated by some institutional theorists (e.g. DiMaggio, 1988; Scott & Christensen, 1995:306; Scott, 1994:60). In additional support for an agency bottom-up approach, Friedland & Alford (1991) describe three “(nested) levels of analysis” that can be addressed by institutional theory: individuals, organizations and institutions. In this paper, we focus on the individual level of analysis while acknowledging that individuals operate as a component of their environment and their perceptions of the environment can be affected by “four broad factors: individual, work group, organizational and strategic factors” (Boyd, Dess & Rasheed, 1993).

Understanding individual perceptions and reactions to organizational goals is a fundamental element establishing the link between strategy and day to day operations. An established strategy that links corporate goals to functional level operations is a predictor of success (Meznar et al., 1991; Newman & Hanna, 1996). All too often institutional theorists allude to the influence of individual actors, but only seem to “smuggle” their behavior into institutional arguments rather than specifically addressing behaviors at the agency level and their effect to the organization (DiMaggio, 1988:9).

Institutional pressures are categorized as regulatory (coercive), normative (values) and cognitive (mimetic) (DiMaggio & Powell, 1983; Scott, 1995). Firms are theorized to succumb to these pressures in order to gain, maintain or repair legitimacy or acceptance by the external environment (Suchman, 1995). In this respect, legitimacy is expressed as an element of the macro environment and is a form of collective legitimacy (Johnson, Dowd & Ridgeway, 2006).

Focusing on institutional theory and legitimacy on the macro level does not allow insight into the internal dynamics of organizational change. Therefore, we turn to the agency level to study the effects of legitimacy from inside the organization as it may affect the implementation of organizational change. Institutional research indicates that actors “have been shown to exert a significant conforming or legitimating influence on organizational structure, survival patterns, competitive dynamics and the adoption and diffusion of corporate practices” (Oliver, 1996).

The legitimating influence of individual actors and social groups within an organization is a focus of this paper in an effort to address the research question:

What factors contribute to intrafirm complexity such that they inhibit the execution of sustainability initiatives and, ultimately, embedding of sustainable development within the day to day operations of the firm?

We will show that by understanding better the development and application of legitimacy from the perspective of the individual actors, managers and policy makers can successfully plan and implement change. Additionally, firms can learn to address the context of each strategic change through the lens of institutional theory in order to develop change management strategies that will address the specific environmental pressures that will affect the legitimization and/or the proposed illegitimacy of an embedded process or management practice. We do this by specifically addressing these factors as they pertain to sustainable development. First we delve into the legitimization process as it applies to individual acceptance and support or rejection of change.

LEGITIMACY JUDGMENTS

As a fundamental process in social organization, legitimacy is complex and reaches beyond social psychology into the study of organizations (Johnson et al., 2006). Because of legitimacy’s far-reaching nature, organizational theory has adopted many different definitions to

describe its essence. One of these definitions is as simple as calling legitimacy the “social fitness” (Oliver, 1991:160) of an organization, law or other convention. The definitions used by organizational theory have commonalities such as: social acceptability (Washington & Zajac, 2005:284), fit with normative values and beliefs (Rindova, Pollock & Hayward, 2006:54), and taken-for-grantedness (Meyer & Scott, 1983; Hannan & Freeman, 1987). The definition proposed by Suchman (1995:574) will be used for the purposes of this paper:

Legitimacy is a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions (emphasis as shown in original text).

Unlike legitimization where processes or activities are being justified, legitimacy is a judgment that is made by individuals as to whether or not actions, norms and beliefs expressed in a situation are appropriate (Shelly & Shelly, 2011). Individual judgment of legitimacy is considered “propriety” (Johnson, et al., 2006; Shelly & Shelly, 2011). Notably, most legitimacy research has focused on the collective level of legitimacy judgments which is considered “validity” (Johnson, et al., 2006; Tost, 2011). Although most of the research regarding legitimacy in organizations has been done on the macro level and focused on validity, attention to the micro-level of legitimacy (propriety) is not a new idea. Actually, calls for more attention to the micro perspective of legitimacy and its impact on organizations are seen throughout institutional literature (e.g., DiMaggio & Powell, 1991; Scott, 2004; Zucker, 1991).

While legitimacy is largely a social phenomenon, individual judgments of legitimacy provide the fuel that guides collective behavior (Tost, 2011). The need for these types of social judgments in organizations is generally necessitated by “economic exchange, from the discharge of regulatory and other social duties” such as those that are associated with sustainable development (Bitektine, 2011). Notwithstanding the ability of legitimacy judgments to be

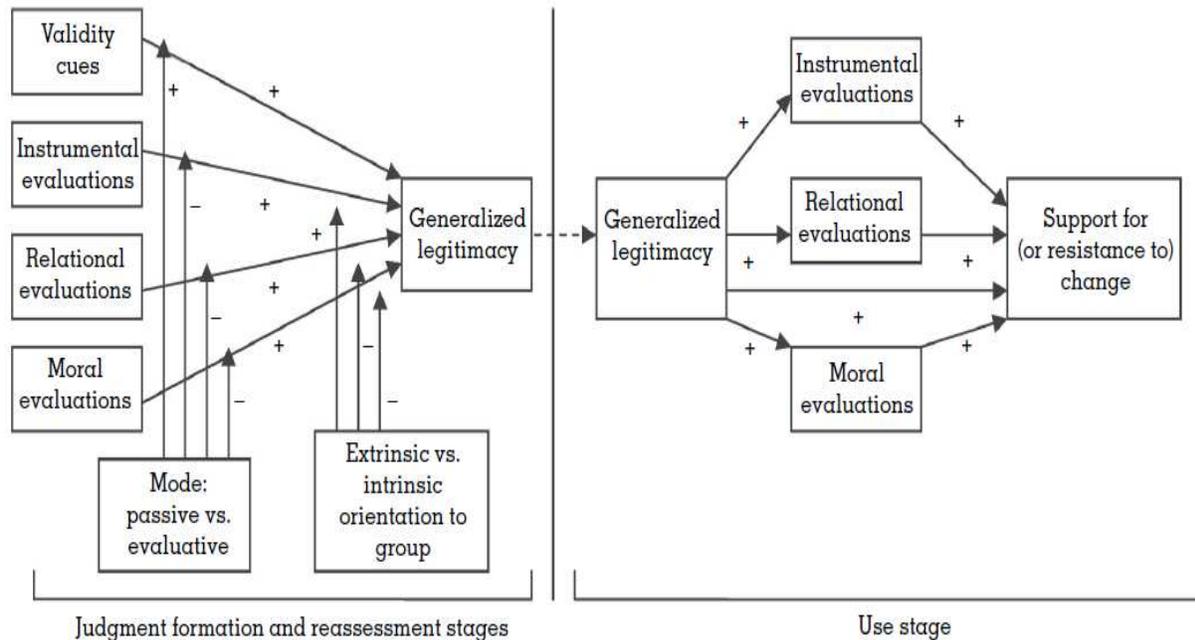
“borrowed” from other members in a social group, individuals, much like collectives, process these judgments in a formation cycle (Tost, 2011). Accordingly, we address the judgment cycle and explore its effect on the implementation of sustainable development initiatives.

The Legitimacy Judgment Cycle

The legitimacy judgment cycle begins when a “social innovation is created to address some need, purpose, goal or desire at the local level of actors” (Johnson et al., 2006). Social innovations may include such things as developing new practices, implementing new ways of thinking or developing new standards and ways of doing business in order to meet regulations or social expectations such as those associated with sustainable development (Johnson et al., 2006). Once a new social innovation is introduced the judgment cycle begins as the actors begin to consider whether or not to accept or reject the proposed new business process. This consideration then proceeds through the stages of judgment formation, judgment use and judgment reassessment (Tost, 2011).

Tost’s (2011) model suggests that during the formation stage of the legitimacy judgment cycle *generalized legitimacy* is derived from: validity cues, instrumental evaluations, relational evaluations and moral evaluations. See Figure 1. Each of these determinants is moderated by the activity mode of the individual actor, passive vs. evaluative and the extrinsic or intrinsic orientation to the actor’s social group (Tost, 2011).

FIGURE 1
Legitimacy Judgment Process
(As published in Tost, 2011)



Next, during the use stage of the legitimacy judgment cycle, Tost (2011) suggests that generalized legitimacy begins to guide behavior within the context of the organization. At this point in the cycle, cognitions lead the individual actors toward decisions regarding social innovations. With the exception of validity cues, each of the evaluations in the formation stage is also processed in the use stage. Legitimacy judgments allow individuals to react to social innovations based on their perception of each innovation's perceived legitimacy (Tost, 2011). If the innovation is seen as legitimate it is supported and if it is viewed as illegitimate it is opposed (Tost, 2011). See Figure 1.

In the use stage, evaluations are made in order to determine how the predefined judgment (from the formation stage evaluations) will be applied to decisions regarding the legitimacy of proposed organizational changes. Ultimately, a decision is made as to whether or not a process change is legitimate and if the actor will support or resist the initiative.

The three evaluations made in this stage include instrumental, relational, and moral. Instrumental evaluations are tied to an individual or social group's self-interests (Tost, 2011). This dimension of legitimacy has also been explained by institutional theorists as pragmatic legitimacy (Suchman, 1995). Ideals about the efficiencies of processes and the profitability of the firm fall into this category of evaluation (Tost, 2011). For example, in the case where a social innovation involves a trade-off between efficiency and social or environmental needs the legitimacy judgment evaluations would consist of instrumental, relational and moral dimensions where the efficiency of the proposed change (instrumental) would be metered against the relational and moral evaluations made by the agent.

Relational evaluations include the "perceptions or beliefs related to the fairness, benevolence, or communality" of the decision maker with respect to the change (Tost, 2011). Within this dimension, actors and social groups base their legitimacy judgments on the outcomes of the innovation toward their dignity and status within the organization (Tost, 2011). Relationships with the innovators and/or those actors given the authority to implement the innovation within the organization strongly affect this dimension of legitimacy.

The moral dimension of legitimacy includes perceptions of the "morality, ethicality or integrity" of the innovation or entity (Tost, 2011). These evaluations are based on the normative evaluations of the actor, group and/or society as to the rightness or appropriateness of the innovation or change (Bitektine, 2011; Suchman 1995). Institutional theory literature is replete with references to this normative dimension (e.g. DiMaggio & Powell, 1983; Meyer & Rowan, 1977; Scott, 2004; Tolbert & Zucker, 1983).

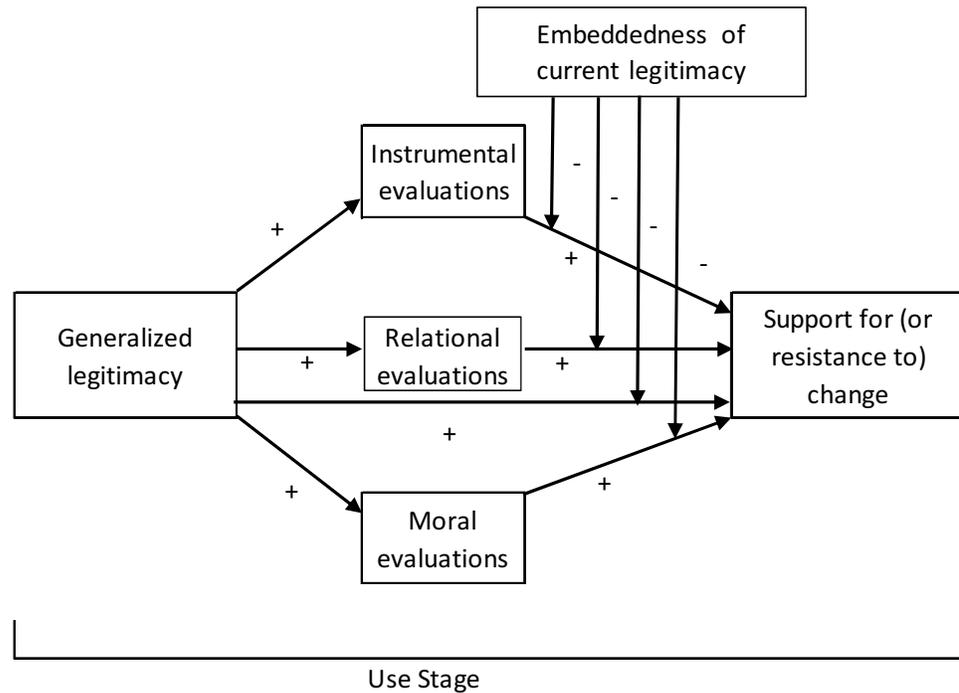
We propose that all sustainable development initiatives are subjected to the legitimacy judgment cycle as it is operationalized within the organization. This legitimization process is

initiated simultaneously at the individual, social group and organizational level. It is also proposed that the use stage evaluations operate together to create a value assigned to the proposed change which is used by the decision maker to determine if the value of the proposed change is greater or less than the value of the currently legitimated business process. This function of comparing the new innovation to the old business process is not contained within the Tost (2011) model. In the next section, we describe an embeddedness moderator that operates in this step of the process.

Embeddedness of Current Legitimacy

Tost's (2011) model of the legitimacy judgment process shows a direct relationship between the three dimensions of judgment (instrumental evaluations, relational evaluations and moral evaluations) and the decision to support or resist an innovation or process change. Based on a review of the literature, we propose that a key moderator has been omitted from this model, the embeddedness of the current legitimacy. (See Figure 2.) A process change cannot occur until the current process is seen as illegitimate with respect to the new option. "Illegitimacy is an important precursor of the desire for change" (Tost, 2011).

FIGURE 2
Legitimacy Judgment Process
Use Stage Only
Adapted from Tost, 2011.



Assuming that the organization already has a stable and agreed upon structure and operating procedures, embedded legitimacy can cause effects that can reduce the likelihood of adoption of change into a current structural template (Johnson et al., 1996). In this situation, any type of new innovation would necessitate that the current legitimate processes be abandoned as illegitimate in support of the change.

In order for an innovation to be accepted, “local actors must construe it as consonant with and linked to the existing, widely accepted cultural framework of beliefs, values, and norms” (Johnson et al., 2006). The degree of process embeddedness can inhibit or extinguish change unless the new innovation’s legitimacy surpasses that of the current convention (Baum & Oliver,

1991; Greenwood & Hinings, 1996). This is applicable at both the propriety and validity judgment levels within the organizational context. This is not to be confused with the dynamic of inertia. As pointed out by Greenwood and Hinings (1996), organizations undergo change in spite of inertia on a continual basis. As widely accepted by institutional theorists, tight coupling with conventions and embeddedness can cause resistance to change (e.g. Baum & Oliver, 1991; DiMaggio & Powell, 1983; Greenwood & Hinings, 1996; Oliver, 1991).

Embeddedness. Embeddedness, as it is used within this paper, refers to the cognitive (individual mental processes), cultural (collective understandings of strategies and goals) (Baum & Dutton, 1996), and political forms of embeddedness as described by Zukin & DiMaggio (1990). The legitimacy of an organizational change or innovation is dependent upon the levels of each form of embeddedness that may hinder its acceptance and internalization. By assuming an embeddedness perspective of the legitimacy judgment cycle, the acceptance and ultimate internalization of change or innovation can be better understood. This perspective allows for the acknowledgement of the simultaneous creation and constraint (e.g. constitution and regulation) caused by each form of embeddedness (Baum & Dutton, 1996) as it applies to the three evaluative steps in the usage stage of the legitimacy judgment cycle. The appropriateness of an embeddedness perspective of strategic issues is supported by Baum & Dutton (1996), “Strategic Management can benefit substantially from taking cognitive, cultural, political, structural and other forms of embeddedness more seriously in account of the content and process of strategy.” Without acknowledging the influence of embeddedness, in its various forms, the legitimacy judgment cycle is inherently flawed.

Greenwood, Suddaby & Hinings (2002) present a model containing the stages of institutional change which supports the influence of embeddedness in the legitimacy judgment

cycle. The Greenwood et al. (2002) model is strikingly similar to the Tost (2011) legitimacy judgment cycle. The institutional change model includes a step titled “Theorization.” Three steps take place in the theorization stage of change: “Specification of general organizational failing” (illegitimizing of current process); “Justification of abstract possible solution” (legitimation of new process); and, “Moral and/or pragmatic legitimacy.” These steps support the application of embeddedness as a moderator to the usage stage of Tost’s (2011) model, most notably, the first step “Specification of general organizational failing” which acknowledges the requirement to challenge the propriety and/or validity of current processes (Greenwood et al., 2002).

INTERNALIZATION

The internalization of an organizational change is a strategically important step in the process of implementing an innovation in a firm. Yet, it is often overlooked and taken for granted (Smircich & Stubbart, 1985). Changing patterns of behavior requires that people “forget some of what they know and to disbelieve some of what they believe” (Smircich & Stubbart, 1985).

The usage stage of the legitimacy judgment cycle culminates in the support for (or resistance) to change (Tost, 2011). By introducing the embeddedness into the legitimacy judgment model, the likelihood of internalization can be addressed. In order to examine the embeddedness of currently accepted process legitimacy managers need to ask “What factors can be used to estimate the embeddedness of a particular process?” Institutional theory provides a starting point from which these factors can be identified and studied. In the case of sustainable development, institutional theory must be reviewed alongside the idiosyncrasies of the sustainability movement in order to best understand the factors that may cause variation in the

likelihood of an initiative to be internalized into the organization such that the strategic fit of the adopted process is maximized (Ansari et al., 2010). In this section, we address both institutional theory and the idiosyncrasies of sustainable development and how they may help or hinder the acceptance and support for organizational change.

Institutional Pressures

The pattern of legitimacy judgments presented in the earlier sections of this paper gives insight into the internal dynamics of organizational change from a bottom up perspective as called for by DiMaggio & Powell (1991) and Scott (2004). Although this internal legitimacy perspective is described at the agency level, it can be studied through an institutional theory lens. The legitimacy foundation of institutional theory can be understood as actors' perceptions of the organization and their judgments of legitimacy influence their individual behaviors which become manifested within groups and ultimately the organization (Bitektine, 2011). Constituents have the ability to choose to conform to norms or to withhold legitimacy as a form of social control within an organization (Bitektine, 2011). Institutionalization can occur at different organizational levels including intrapersonal (Scott & Meyer, 1994:18).

Despite embracing this perspective, we agree that it is a misnomer to state that the "actor performs the action" without acknowledging that "at the institutional level, action also creates the actor" (Scott & Meyer, 1994:18). Applied in the context of this paper, this statement is accepted to mean that although the legitimacy judgment cycle is formed at the level of the individual actor, the cycle itself exists and works within the larger environment which has influence via institutional pressures over the actor and that they work in concert with one another. Therefore, it is important to address those institutional pressures and their organizational consequences that support or inhibit the processes that are part of the legitimacy

judgment cycle. This discussion is not intended to be an exhaustive list of the results of institutional pressures that influence the judgment cycle. We humbly submit that there are consequences of institutional pressures that are present during the legitimacy judgment cycle and that those consequences may play a significant role in the inhibition of sustainable development being implanted into the day to day operations of an organization. Presented here are three types of pressures that are illustrative of environmental pressures associated with sustainability initiatives. Each represents one of the three environmental pressures as described by Scott (1995): coercive, normative and cognitive.

Fragmentation of the environment (Coercive Pressures). Institutional theorists often assume an external environment that is unified such that all institutional pressures are guiding the organization and/or the individual actor in the same direction. A highly formalized environment can, however, be penetrated by multiple organizations or social actors that can possibly represent competing or conflicting coercive pressures that provide inconsistent cues or signals (Ascher, 2000; DiMaggio & Powell, 1991; Oliver, 1991; Scott, 1991; Scott & Meyer, 1994). In the case of a fragmented environment, the legitimacy judgment cycle can be disrupted inasmuch as the decision maker may be conflicted as to which environmental pressures are most important to themselves, their social group(s), and/or to the organization.

Interdepartmental Conflict (Normative Pressures). Fragmentation of an environment increases the number of organizations or social actors to whom an organization is dependent upon (Scott & Meyer, 1994). As fragmentation increases so does environmental complexity and firms respond with coping strategies such as decoupling and departmentalization (Ascher, 2000; Ball & Craig, 2010; Blau, 1970; DiMaggio & Powell, 1991; Scott, 2004). Departmentalization decreases the likelihood of internalization of change due to interdepartmental complexity

(Ascher, 2000). Complexity alone can constrain adaptation due to a lack of understanding amongst the parties that are necessary for adaptation to be successful (Ansari et al., 2010). In this case complexity is heightened, because firms can be made up of a “mosaic of groups” (Greenwood & Hinings, 1996) each representing different interests and goals as a result of normative pressures.

Differentiation and conflict in organizations is exacerbated by technical boundaries between departments (Lawrence & Lorsch, 1967). This conflict inhibits internalization of change within an organization due to the functional diversity of the ostensibly cooperating groups. Despite the legitimization of a new process in one group the internalization within the organization can be disrupted if there is little intraorganizational agreement and cooperation.

Value Commitments (Cognitive Pressures). Institutional theory also offers additional insight into legitimacy embeddedness in the form of value commitments (Greenwood & Hinings, 1996). Value commitments relate to the connection between an existing organizational template (as introduced as “templates for organizing” by DiMaggio & Powell [1991]) and the level of dissatisfaction with (or illegitimacy) of that template (Greenwood & Hinings, 1996). These value commitments are, at least in part, the result of internal and external cognitive pressures. By understanding the value commitments within the organization and departmental groups, managers can use this knowledge to assist in the development of any strategic plans to promote change within the organization. Knowing the obstacles that must first be overcome to implement change is a key element to success. The value commitments presented by Greenwood & Hinings (1996) are described in Table 1.

TABLE 1
Value Commitments
(Greenwood & Hinings, 1996)

Value Commitments		Value Commitments	
Status Quo	All groups are committed to the prevailing institutionalized template-in-use.	Competitive	Some groups support the template-in-use, whereas others prefer an articulated alternative.
Indifferent	Groups are neither committed nor opposed to the template-in-use. This situation is frequently one of unwitting acquiescence.	Reformative	All groups are opposed to the template-in-use and prefer an articulated alternative.

Idiosyncrasies of Sustainable Development

“For institutional theorists, ‘sustainability’ is a socially constructed concept” (Connelly, Ketchen & Slater, 2011). Sustainability’s uniqueness begins with its nature insomuch as it is “systemic” and calls for action on multiple levels of the organization (Howard-Grenville, Hoffman & Bhattacharya, 2007). Sustainable development is a relatively new movement in organizations and it has attributes that make it unique versus other environmental movements and institutional pressures. We offer a summarized list of idiosyncrasies of sustainable development in an effort to shed light on the different perspectives that should be examined when managers are working toward implementing sustainable development initiatives within their organizations.

Newness. Sustainability is a relatively new movement. Accordingly, the changes that have been made and/or proposed within organizations will struggle for legitimacy vs. the current templates-in-use for organizational structure. Sustainability initiatives bring with them new

departments (e.g. environmental departments and/or new groups of internal auditors), new roles (e.g. corporate administrators of sustainability activities) and new channels of communication, all of which are fighting for legitimacy against competing claims (Powell & DiMaggio, 1991).

Moral and ethical considerations. “One of the distinguishing attributes of corporate social responsibility practices is their moral content, which means that they may be adopted for reasons that are at best sketchily related to any instrumental benefits that might accrue” (Haberberg, Gander, Rieple, Martin-Castilla & Helm, 2007).

Complexity. Sustainability exists as part of a fragmented environment with multiple organizations and social actors asserting pressure on the organization. Additionally, there are multiple institutional models for sustainable development as a broad social pressure that add complexity to interdepartmental cooperation (Ansari et al., 2010; Escobar & Vredenburg, 2011; Smith & Scharicz, 2011). As a systemic modality, sustainability requires interdepartmental cooperation through the utilization of cross-functional teams in order to fully implement initiatives (Howard-Grenville et al., 2007; Sarkis & Rasheed, 1995; Smith & Scharicz, 2011).

Organizations also struggle with complexity in sustainable initiatives due to: 1) the low density of interorganizational contacts which increases search costs and time in making and implementing decisions and changes; 2) lack of collective interpretation of the triple bottom line (economic, social and ecological strategy); and, 3) lack of agreed upon measurement scales for sustainability initiatives (Smith & Scharicz, 2011).

Mix of evaluation judgments. By understanding the key attributes of sustainable development initiatives, managers can better understand how legitimacy judgment evaluations will be made by organizational actors. Any given topic or type of change will draw on a different mix of evaluation importance. For example, sustainable development initiatives may be

more heavily weighted in the moral evaluation category than in the instrumental and relational evaluation categories.

Adaptation and Organizational Fit

Understanding environmental factors, such as those described by institutional theory and the contextual variants such as the uniqueness of sustainable development, that influence the support or resistance to change will allow an organization's management to insure that a change or innovation is internalized; a firm must insure that the change is legitimized so that it will be fully adopted (Tolbert & Zucker, 1983). If a process is not legitimized, such that the current process is seen as illegitimate, ceremonial adoption may occur (Hillebrand, Nijholt & Nijssen, 2011). Ceremonial adoption undermines internalization because it occurs when the adopters are not convinced of the value whether instrumental, relational or moral of the proposed process (Hillebrand et al., 2011). In this case they may "gravitate toward standard solutions that are less likely to be customized and fit their specific business context, thus compromising the economic effectiveness of the practice" (Hillebrand et al., 2011). Meyer & Rowan (1977) noted that organizations will ceremonialize evaluations and neglect innovation implementation in order to maintain external and/or internal legitimacy in current formal structures.

The ultimate goal of organizational change is to have the change functionally adopted, adapted, and implemented in such a way that the organizational fit is maximized. The adapted legitimacy judgment model shows the steps that are required in order to determine the organizational support or resistance to change. Once support for the change has been espoused and the change is adopted the next step is internalization and fit maximization. Fit is considered to be the degree to which a practice and its characteristics are consistent with the strategy of the firm (Ansari et al., 2010). The firm's activities and its stakeholders' needs must match. This

match is considered “fit” and will determine economic performance and the long term survival of the organization (Meznar et al., 1991).

In the context of sustainable development and the dynamic nature of its initiatives, a closer examination of fit is appropriate. Specifically, the “dynamic fit” (Ansari et al., 2010) between a practice and the organizational strategy should be considered. The dynamic fit is composed of technical, cultural and political factors. We posit that the three components of dynamic fit each have a strong correlation with certain legitimacy evaluations in the usage stage of the legitimacy judgment cycle. (See Table 2.) These correlations suggest that if a change is fully legitimized on all three levels of legitimacy (instrumental, relational and moral) that the process will be adopted, the fit will be adapted and the internalization will be complete. Managers must therefore manage a change process in such a way as to promote the change on all three of these levels. The complete internalization status of a project is referred to as having a “halo of social validation” by Tolbert & Zucker (1996). This halo of social validation is necessary for additional diffusion of the change or innovation and for the adoption and adaptation of the continual improvement of the processes.

TABLE 2
Fit Characteristics and Legitimacy Evaluations
Fit Characteristics and Intraorganizational Descriptions excerpted and adapted from
Table 1 Supply- and Demand-Side Characteristics by Level of Analysis
(Ansari et al., 2010)

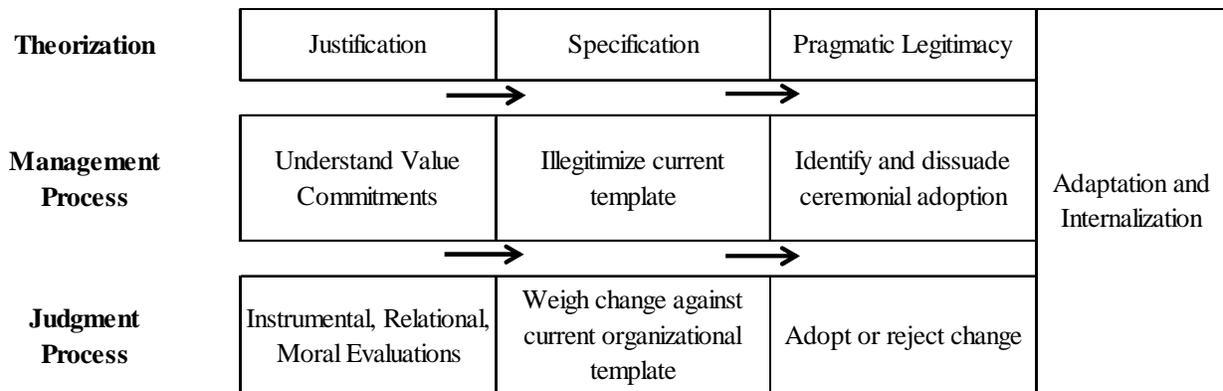
Fit Characteristics	Level of Analysis	Usage Stage
	Intraorganizational	Legitimacy evaluation
Technical characteristics	Individual's background and experience, education level and technical orientation	Instrumental
Cultural characteristics	Beliefs, values, and preferences about the appropriateness of the work practice.	Moral
Political characteristics	Interests, relative power, and agendas of organizational members	Relational

CONCLUSION

This paper has provided a discussion regarding various aspects of the legitimization of organizational change. Through a synthesis of the literature regarding sustainability, institutional theory and legitimacy a model was adapted from Tost (2011) to suggest the application of the legitimacy judgment cycle to the adoption and ultimate internalization of organizational change. Specifically, it was proposed that the embeddedness of current legitimacy judgments by individual actors and/or the social groups to which they belong should be considered a moderator to the support for or resistance to change that they will exhibit.

By exploring the potential barriers to implementation for sustainability initiatives, this paper describes a process of innovation internalization that begins with a functional level legitimacy judgment and culminates in the rejection, ceremonial adoption or internalization of organizational change. These steps are shown in Figure 3.

FIGURE 3
Innovation Internalization Process



The research question addressed by this paper asked what factors contribute to intrafirm complexity such that they inhibit the execution of sustainability initiatives and, ultimately, embedding of sustainable development within the day to day operations of the firm. Based on

this research, we propose that environmental pressures such as a fragmented environment, departmentalization and the commitment to current processes present barriers to the acceptance of sustainability related organizational change. The implications of these factors should be considered by managers and decision and policy makers as they generate strategic change management plans. Contributing complications associated with sustainability initiatives must also be considered in order to adequately prepare the organization for internalizing the change. These contributors to complexity include the newness of sustainability, moral and ethical considerations and the large number of social actors placing pressure on the organization from diverse perspectives and with different goals.

By understanding the components of the Innovation Internalization Process and the specific complexities associated with sustainability or any proposed organizational change, researchers, managers, and decision and policy makers can devise successful methodologies and strategic plans to insure that desired changes are internalized into the day to day operations of the organization.

In order to assist in operationalization of this process, future research is needed in order to garner knowledge about how managers can determine the value commitments of the social actors in the firm. Additionally, research may explore how to best address the illegitimization of current processes without alienating the creators or social actors that are heavily entrenched in the legitimacy of those processes. The legitimacy judgment cycle, ceremonial adoption and adaptation of change may be explored from the perspective of specific types of change such as sustainable development in order to provide insight as to how these phenomena vary by types of change. There may be opportunities to apply a typology of change to the innovation internalization processes based on the nature of the change and/or the nature of the organization.

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