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Abstract for

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Sustainable decision making? Some potential driving forces

In order to promote more sustainable decisions in our industries, we need more information on the decision making processes in the companies and the participants in this process. Where are the (non)sustainable decisions made and by whom? And secondly – how do these actors reason when the decisions are made, including decisions which promote as well as prevent establishing a sustainable production.

Mapping and examining the decision-making processes are the main task in our part of the ‘Sustainable companies’ project. In this paper we will focus on our analytical framework and present some preliminary findings from our interviews with mainly Norwegian CEOs, board chairs and board members (including employee elected).

Our point of departure is the twofold

Are the decisions based on commercial interests (“the business case”) or are they based on what we might label a ‘normative or moral approach”, due to the urgency of the climate change situation?

Do the actors feel commitment to prevent climate change through the way they are conducting business, or do we mainly find the sustainable decisions in industries where sustainability is a business concept? Normative commitment versus commercial interests may also be analysed by looking into the concept of ‘company interests’ and the purpose of the company. However, we also need to ask whether this contradiction are recognized by the company actors, is it relevant or mainly of theoretical interest?

Do the decision makers prefer increased internal regulation (typical to be set out within the company law) or external regulation mechanisms? And which kind of regulation mechanisms do they believe would have any effect?

Internal mechanisms may imply, as an example, changes in the competence of company organs, the power relations between different company actors (e.g. empowering or/and increased accountability for the board and the individual board members or changes in the legal purpose of the company). By external mechanisms we refer to either ‘governmental qualitative regulations’(such as framework regulations, permits, taxes, financial incentives) or ‘economic incentives set by government’ (Watt 2011, forthcoming).

Both the internal and the external approach may use different market mechanisms (including different reporting arrangements and schemes and operation the business in line with e.g. Global Compact etc) as the main tool for changes. In this respect it is important to distinguish between capital and consumer market mechanisms. And secondly – in both we might find arguments connected to short and long-term interests of the company and different company

actors. An important question in this respect is to investigate to which extent long and short term interests are perceived as conflicting.

In the table below a few illustrations from our interviews are shown:

		Why make sustainable decisions?	
		Normative commitment	Business case
How to promote sustainable decisions	Internal regulation	<i>Increased reporting will improve our performance</i>	<i>No, it's all about making money</i>
	External regulation	<i>This is a political responsibility – we will contribute</i>	<i>Stronger regulation will improve our position in the market</i>

In the paper we will elaborate on this basic framework and demonstrate how it might be useful for

- i) the qualitative data we have collected so far and
- ii) our existing quantitative data on company interests and the decision making process in the company. Division of power has been important in these latter studies.

In addition, a number of different features (“variables”) will be included, e.g. we will make an attempt to investigate if there seem to be a diversion between the ownership structure of a company and industrial sector and the answers (to the questions raised above) given by the interviewees.