

Differences in degree and kind: How vocabularies of motive in institutional logics shape sustainable practices

The institutional logics perspective (Friedland & Alford, 1991; Thornton, Ocasio, & Lounsbury, 2012) has infused the business and society literature and a growing number of studies are using this approach as a lens to understand variations in the sustainable practices of organizations (e.g. Kok, Bakker, & Groenewegen, 2017; Lee & Lounsbury, 2015; Misangyi, 2016; Reddy & Hamann, 2015; Risi, 2018; Westermann-Behaylo, Berman, & van Buren, 2014). The common line of thought in those studies is that different institutional logics, i.e. “cultural structures that bring order to domains of practice” (Ocasio, Loewenstein, & Nigam, 2015, p. 28), specify different means and ends of organizational behaviour (Thornton et al., 2012). The presence of a given logic, or its interplay with other logics, then serves as explanatory variable for a certain pattern of sustainable practices, i.e. practices that intend to increase social and/or environmental benefits. While institutional theory has referred to the *vocabulary of motive* (VoM) as central to institutional logics (Loewenstein, Ocasio, & Jones, 2012; Ocasio et al., 2015; Tilba & Wilson, 2017), previous research that examines institutional logics in the context of sustainable practices does not elaborate on which VoM within the various institutional logics provokes which specific pattern of sustainable practices.

VoM, defined as socially accepted intentions for present, future, or past practice (Mills, 1940), however are crucial as they provide social actors with a shared knowledge “that is essential for coordinated social action” (Tilba & Wilson, 2017, p. 505). Ocasio and colleagues even posit that practices are not feasible without social conventions about the appropriateness of such vocabularies (Ocasio et al., 2015). Knowing the vocabulary structure for sustainable practices thus allows researchers to gain an in-depth understanding of why or why not organizations behave in a sustainable way. Most likely, this link also motivated the longstanding research stream that investigated the *motives* or *motivation* for sustainable practices (e.g. Aguilera et al., 2007; Bansal & Roth, 2000; Brønn & Vidaver-Cohen, 2009; Santana, 2015). Often in the form of typologies, this research contrasts extrinsic and intrinsic motives and again relates the different motives to varying degrees of sustainable practices. However, despite the apparent parallels and theoretical proximity between the institutional logics approach and the motive approach, no connection between these literatures has been established so far (see Figure 1).

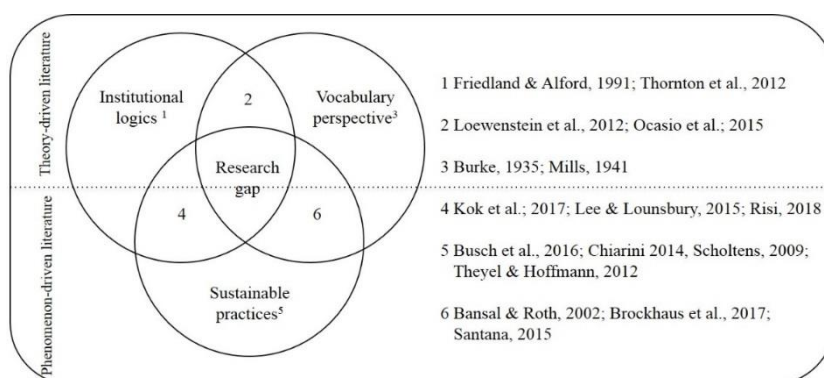


Figure 1: Framing of the research gap

In addition, for the most part both literature streams indicate differences in the degree of certain practices rather than differences in kind. A noteworthy exception, however, has shown that depending on whether the market or the community logic is dominant; the organizational structure of CSR varies (Glynn & Raffaelli, 2013). To remedy this gap, we aim to explore the interdependencies between the various ideal types of institutional logics, vocabularies of

motives and sustainable practices. Precisely, we do not only expect differences in degree but also in kind. In order to address this research aim, we draw on the “vocabulary perspective” which sets VoM as not only as bound to practices but also as constitutive for institutional logics (Loewenstein et al., 2012; Ocasio et al., 2015). Consequently, we ask the following research question: **How are the various institutional logics, different vocabularies of motives and sustainable practices related to each other?**

Our interest in this question is relevant for two reasons. First, as differences in kind of sustainable practices can have very different social or environmental outcomes (Halme, Rintamäki, Knudsen, Lankoski, & Kuisma, 2018) and thus financial consequences (Halme & Laurila, 2009), we argue that it is decisive to count for the differences in kind rather than degree of practices that might result from different logics and corresponding VoM. Second, acquiring theoretical insight into the complex of institutional logics, VoM and sustainable practices is crucial because such an in-depth understanding of the interdependencies allows to derive policy implications that trigger more ambiguous endeavours of organizations to engage with social/ or environmental issues.

In order to answer our research question, we conducted an embedded case study in the German banking industry. We chose this research setting because it contains different types of banks, each of which is exposed to a different institutional logic. Consequently, the German banking sector allows studying the various ideal types of logics belonging to the institutional orders of the market, state, community, family, religion, profession and the natural environment; as well as their implied VoM, and sustainable practices. The data analysis is rooted in the tradition of ideal types (Bailey, 1994; Kluge, 2000) and causal mapping procedures (Nadkarni & Narayanan, 2005; Scavarda et al., 2006).

Our findings show that the institutional logics imply specific VoM which in turn become manifest in specific kinds of sustainable practices. Precisely, while some logics direct the banks’ focus on the sustainable practices within the core business (e.g. exclusion criteria for lending and investment), other logics rather imply a focus on practices within the business periphery such as philanthropic activities or resource efficiency measures. By discussing our results against the background of the vocabulary perspective, we develop a model that shows how the three concepts are linked to each other.

This research makes three main contributions. First, by grounding our research in the vocabulary perspective, we explore the VoM inherent to each logic. In this manner, we theoretically embed the extensive research that has explored the motives for sustainability (e.g. Bansal & Roth, 2000; Brockhaus, Fawcett, Knemeyer, & Fawcett, 2017; Santana, 2015) and therefore succeed in bridging two strands of literature whose proximity has so far been overlooked.

Second, we refine and expand our knowledge on the ideal types of institutional logics in two respects (Thornton et al., 2012). On the one hand, different to previous studies, we analyse “the full array of logics playing on organizations” (Greenwood, Díaz, Li, & Lorente, 2010, p. 534) as we include the religious, family, state and professional logic which are under-researched, particularly in terms of their implications for sustainable practices. On the other hand, we add two more *building blocks* to the ideal types of logics. One block describes the vocabulary of motives related to sustainable practices, while the other block specifies the sustainability practices that result from a given logic. Such knowledge about ideal types is a prerequisite for the operationalization of ideal types (Bailey, 1994; Kluge, 2000). It therefore enables consistent analysis across logics and comparison among studies (Reay & Jones, 2016).

Third, we deepen our understanding of why organizations implement which social and environmental practices by showing which institutional logics and implied VoM for sustainability tend to be related to different *kinds* of activities. Thus, this research enables to better understand the sustainable behaviour of organizations than we could before.