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## Accountability for sustainability – An institutional entrepreneur as the representative of future stakeholders

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### ABSTRACT

Stakeholder views have often been presented as the source of sustainability while a lack of sustainability has been presented as a self-centered focus on the organization itself. The present paper reports a case in which a case organization, not present stakeholders, brings up sustainability and a concern for future stakeholders. We rely on interviews and archival data gathered in a case organization in the construction industry, and interview data from stakeholders. The study shows how the representatives of the case organization feel accountable to future (not present) stakeholders' needs, as present stakeholders are considered to be short-term oriented. As it is organizational representatives, not stakeholders, who predominantly envision the future, the source of accountability for sustainability appears, surprisingly, to originate from the organization itself. The organization thus becomes an institutional entrepreneur in altering accountabilities in the industry. This is shown here particularly in the organization's "war against the gray economy". It is suggested that the needs of certain stakeholders whose views cannot easily be expressed in existing accountability systems, such as future stakeholders, flora and fauna, can sometimes be legitimately represented by unexpected entities. The study also sheds light on an important paradox in sustainability: it requires dialogue with stakeholders while future stakeholders, considered important, cannot directly participate in a dialogue and it is uncertain who can speak for such stakeholders. In this study, the organizational representatives represent the future stakeholders, making true dialogue with outsiders demanding. Concerns for dialogue and the future can sometimes contradict each other.

### 1. Introduction

Accountability for sustainability has been referred to as a focus on stakeholder views, requiring a dialogue with stakeholders in an innately democratic process (Archel, Husillos, & Spence, 2011; Bebbington, Brown, Frame, & Thomson, 2007; Brown, 2009; Brown & Dillard, 2013; Brown, Dillard, & Hopper, 2015; Cooper & Owen, 2007; Dillard & Brown, 2012; Dillard & Vinnari, 2019; Rached, 2016; Unerman & Bennett, 2004). However, due to their innate characteristics, not all important stakeholders can be easily heard. Future

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stakeholders are a case in point here. Future generations form a part of the definition of sustainability (WCED, 1987, p. 43) and can thus be considered vital. However, they can neither be heard directly in a dialogic process nor presently represented democratically. Flora and fauna pose similar difficulties. In fact, Dillard and Vinnari (2017) have called for research on how such entities as future generations could be heard.

Stakeholders unable to represent themselves unproblematically could be represented by current human experts (Grisard, Annette, & Graham, 2020). However, regarding future stakeholders, it is unclear who these experts should be: potential candidates might include current stakeholders, relevant (outside) experts on the future (whose identity may be unclear), and the given organization itself. In the literature present stakeholder demands have been treated as more explicit and the future has been seen as more implicit; it has been implied that any present requirements for accountability would also extend to the future, for example, as present demands for future sustainability (Cooper & Owen, 2007) or for auditor accountability in the future (Peecher, Solomon, & Trotman, 2013). The literature thus often assumes that future stakeholders have similar preferences as current stakeholders and can thus be represented by current stakeholders (Cooper & Owen, 2007; Peecher et al., 2013). However, future stakeholders may also have characteristics that fundamentally set them apart from current stakeholders.

Sustainability has usually been equated with a concern for stakeholders and a lack of sustainability has been perceived as a limited interest in a given organization alone and arrogant self-serving actions (Milne, Kearins, & Walton, 2006; Shearer, 2002). However, many, if not most, organizations today can be perceived to perform primarily self-serving actions and the evidence of such a focus is mounting (Cooper & Owen, 2007; Gray, 2010; Tregidga & Laine, in press). Organizational sustainability reports seem to focus on sustainability but organizations do not appear to manage to take major steps towards such sustainability (Milne et al., 2006), resorting instead, for example, to “greenwashing” (Mahoney, Thorne, Cecil, & LaGore, 2013). Both a given organization and its present stakeholders are thus likely to act in somewhat short-termist and self-serving ways, failing to achieve sustainability.

Thus, if an organization aims to be accountable for sustainability, it may face the following dilemma. Should it direct its accountability more to (1) its concrete present stakeholders, many of whom are self-serving, and who clearly ask for their needs to be satisfied or to (2) future stakeholders, e.g. future generations, who represent an abstract stakeholder, about whom it is unclear who, if anyone, speaks for it? The identity of an entity in the best position to know the needs of the future stakeholders may be unclear. A given organization may thus have to decide for itself on such needs, sometimes even functioning as an institutional entrepreneur (Garud, Jain, & Kumaraswamy, 2002; Greenwood & Suddaby, 2006; Larrinaga & Bebbington, 2021; Levy & Scully, 2007; Löhlein & Müssig, 2020; Maguire, Hardy, & Lawrence, 2004) in moving against the institutionalized needs of present stakeholders if these are in conflict with the needs of the future. The research questions can be formulated as: What kinds of conflicts emerge between present and future stakeholders when aiming at sustainability, and how can an institutional entrepreneur handle these conflicts?

We use social constructionism (Berger & Luckmann, 1966; Hacking, 2000) and qualitative case data gathered from archives and interviews conducted in a state-owned organization responsible for state building infrastructure and with its stakeholders. “Sustainability” appears as the dominant ideology of the vast majority of the employees in the case organization. The representatives of the organization feel accountable to future stakeholders, trying to anticipate their needs. The service and materials providers typically experience presently pressing financial concerns, and customers are usually state organizations under mounting short-term pressure to make their operations more efficient. Present stakeholders are thus perceived by case organization’s representatives as short-termist and in opposition to sustainable operations.

In an operating environment in which present stakeholders can be self-serving, the organization thus has to choose between the needs of future and present stakeholders. Here the organization prioritized accountability to future stakeholders, because the organizational representatives believe that the future is more important than the present. In the process, the organization becomes an institutional entrepreneur for the purpose of shifting institutionalized accountabilities in its industry in order to hear the voice of the future stakeholders. All this results in apparent arrogance towards present stakeholders and their institutionalized concerns. Empathizing with future stakeholders’ needs thus, surprisingly, leads to an attitude that appears to be a focus on the organization itself, not on present stakeholders. Empathizing with present stakeholders’ needs would have led to present stakeholders having their needs fulfilled, but possibly to less sustainability achieved in the longer term. The case thus presents a paradox within which, if aiming at sustainability, one ends up with an arrogant attitude that may appear as a focus on the organization itself. The present study also points out how dialogue becomes difficult when future stakeholders are represented by the case organization itself: outsiders are excluded from such dialogue. This results in future and dialogue being partly opposed to each other. We show such issues more generally but also focus on an illustration of the case organization’s “war against the gray economy”, namely this organization’s actions against tax evasion in its industry.

It is also worth noting that the case organization was a unit of the state operating on commercial principles and thus forming a part of the public sphere. This allowed the organization to effectively move against several of the wishes of its current stakeholders, for example customers. Such a practice would have been impossible in a non-public sphere.

We emphasize that we do not have the answer to whether the case organization or any other organization emphasizing future stakeholders functions more or less sustainably. This is notably because future stakeholders and their needs cannot be known at present, neither in this case nor in any other. Focusing on future stakeholders may imply a self-centered focus or then a genuine interest in the future. Our purpose here is not to judge where the case organization lies along this empirical continuum but to describe more generally a potential way of construing the conflicts between present and future stakeholders when aiming at sustainability.

The study proceeds as follows. We review the literature on sustainability and stakeholders, focusing on accountability to future stakeholders and the potential of institutional entrepreneurship to enhance this accountability. The methodology is then presented, followed by the empirical section, discussion, and conclusions.

## 2. Sustainability and accountability to future stakeholders

### 2.1. The roles of present and future stakeholders in sustainability

In stakeholder theory, stakeholders, potential objects of accountability, have been defined as entities or individuals able to affect or be affected by the actions of a given business (Freeman, 1984; Freeman, Harrison, Wicks, Parmar, & de Colle, 2010). Sustainability has been seen as a stakeholder- and responsibility-related target defined as meeting the needs of the present without compromising the ability of future generations to meet their own needs (WCED, 1987, p. 43), thus as related to the present and the future. As a case in point, “future generations” have thus also been perceived as stakeholders to be considered.

The relative importance of present and future human beings has been seen as a vital issue for sustainability (Dresner, 2002; Gray, 2010, p. 56; Montecalvo, Farneti, & de Villiers, 2018). The definition of sustainability (WCED, 1987, p. 43) entails the notion of equality between generations (Dresner, 2002). This notion promotes meeting the needs of both the present and the future equally (Dresner, 2002; Montecalvo et al., 2018), acknowledging that the needs of the present have often unfortunately been prioritized over the needs of the future (Tregidga & Laine, in press).

Bebbington, Russell, and Thomson (2017) point out that sustainability is inherently tied to accountability – to stakeholders. Accountability has been defined as the ability and obligation of a given person or entity to explain, justify, and take responsibility for given issues (Cooper & Owen, 2007; Messner, 2009, p. 918), such as sustainability, and as the rendering of accounts, in informal and formal ways, in relation to the environmental, the economic, and the social (Gray, Brennan, & Malpas, 2014). The importance of stakeholders has been widely recognized within the accountability literature (Cooper & Owen, 2007; Dillard, 2007; Dillard & Vinnari, 2019, p. 24; Grisard et al., 2020; O’Dwyer & Unerman, 2008; Shearer, 2002; Unerman & Bennett, 2004) and accountability to stakeholders has been called for (Bebbington, 2009; Sinclair, 1995).

Accountability has usually been studied in the present (e.g. Ahrens, 1996; Cooper & Owen, 2007; O’Dwyer & Unerman, 2008; Unerman & Bennett, 2004; Sinclair, 1995). In this literature, present demands have been paid the most attention as they have been considered relatively clear and concrete compared to any future, currently unknown, demands. The literature has often focused on the lack of concern by companies for such present stakeholder demands (Cooper & Owen, 2007; O’Dwyer & Unerman, 2008; Shearer, 2002; Unerman & Bennett, 2004). The implication is that the present needs for accountability could also extend somewhat to the future; otherwise there is little reason to pay that much attention to present needs. For example, present demands for sustainability (Cooper & Owen, 2007) could be extrapolated to future demands for sustainability and demands for audit quality at present (Peecher et al., 2013) to demands for audit quality in the future. The literature might thus assume that future stakeholders possess in principle preferences similar to those of current stakeholders (Cooper & Owen, 2007; Peecher et al., 2013) and these current stakeholders can thus represent the interests of future stakeholders.<sup>1</sup>

Tetlock and Kim (1987) and Jordan and Messner (2020) show how one can be accountable for predicting the future. Such accountability is implicitly involved in being accountable for any future-related issues, such as sustainability. When deciding on an action plan, one needs to forecast the future and while being accountable for executing the plan one is thus also implicitly accountable for how well the future forecast matches reality, i.e., how well the plan works.

Aiming at sustainability has usually been treated as being linked to accountability to/for others, namely present and future stakeholders, and a lack of sustainability has been presented as an interest solely in the company or organization itself (Milne et al., 2006; Shearer, 2002). Traditionally, organizations typically initiate stakeholder engagements exclusively from their own perspective (Dillard & Vinnari, 2019, p. 18). Most organizations and entities can be seen as performing self-serving (unsustainable) actions (Cooper & Owen, 2007; Gray, 2010; Shearer, 2002) – this is exactly the problem of sustainability; it is much discussed but organizations struggle to achieve it, and practices such as “greenwashing” (Mahoney et al., 2013) may become prevalent. Thus any organization can be assumed to be surrounded by other organizations experiencing problems with thoroughly implementing sustainability. This puts stakeholder theory and the importance it attaches to stakeholders (Freeman, 1984; Freeman et al., 2010) in an interesting light: how could sustainability be defined or treated based on stakeholder needs, if such stakeholders could also be seen as behaving “unsustainably” much of the time?

Accountability can be claimed to be enhanced by the consideration of such an important construct as the future; however, the nature of accountability may become unclear if the future is constructed as too vague (Tregidga & Laine, in press). The present stakeholder is typically concrete and it is often relatively straightforward to judge when the needs of this stakeholder have or have not been satisfied. The future stakeholder is more abstract, its preferences may be unknown, and it may be difficult to find anyone able to speak concretely for this stakeholder. People may perceive their own future selves as other persons, not as themselves (Pronin, Olivola, & Kennedy, 2008), making the representation of future stakeholders by present stakeholders demanding. Present stakeholders as current persons may have changes of heart regarding what they need from an organization – changes of heart that not even these present stakeholders themselves could predict (March, 1978), for example, because they are not in a position to see the future trends of

<sup>1</sup> However, as the future is unknown to all, asking actors to be accountable for the future could be perceived as unfair or excessively demanding (Peecher et al., 2013). For example, auditors are in principle asked to be accountable for the accuracy of forecasts and predictions explicit and implicit in financial statements, while this may be impossible and unfair to them in practice (Peecher et al., 2013).

the industry in question.<sup>2</sup>

Dillard and Vinnari (2019) recommend first focusing on stakeholders as constituencies independent of a given organization. This can be demanding when considering those stakeholders who are not easily represented and whose views cannot easily and directly be enquired. For example, Grisard et al. (2020) look at a stakeholder group neither widely internationally known nor cared for, rural West African consumers. Dillard and Vinnari (2017) suggest non-human animals as potential stakeholders (see also Vinnari & Vinnari, *in press*), and this can be extended to cover both flora and fauna. Mehrpouya (2015) has also shown how users of accounts have been imagined and the representation of such imagined users may not be straightforward. In the perspective of regulators, investors have been deemed unquestioningly to represent all other constituents (Ravenscroft & Williams, 2009; Young, 2006). Representation of stakeholders by other stakeholders can thus be problematic. The representation of future stakeholders (WCED, 1987, p. 43) is particularly difficult, because such stakeholders do not yet exist. Any entity that can provide information on the point of view of such stakeholders can be worth hearing. Such an entity could be present stakeholders, outside experts, but also a given organization's representatives.

Neoliberal ideology has been accused of silencing the voices of marginalized stakeholders and of making it difficult for them to participate and exert influence (Dillard & Vinnari, 2019, p. 21). However, in addition to outside forces, the innate characteristics of stakeholders can also contribute to the inability of these stakeholders to participate. For example, future stakeholders are unable to act in an observable way in the present. Actions attributed to future stakeholders are typically produced by present entities claiming to speak and act in the name of those future stakeholders.

Dillard and Vinnari (2019, p. 31) advocate a dialogic approach in accountability, claiming that it could lead to relationships that are more realistic and effective. Moreover, for example, Unerman and Bennett (2004) and Cooper and Owen (2007) support such a dialogical view. Accountability has also been advocated to function in the service of democracy in permitting listening and responding to multiple voices (Archel et al., 2011; Bebbington et al., 2007; Brown, 2009; Brown & Dillard, 2013; Brown et al., 2015; Cooper & Owen, 2007; Dillard & Brown, 2012; Dillard & Vinnari, 2019, p. 24; Rached, 2016; Unerman & Bennett, 2004). However, not all voices can be heard directly. A claim of democracy is difficult when considering future stakeholders, because future generations entail a large number of persons (potentially a much larger number than that of present humans), but they do not have a direct voice. Stakeholders who provide resources to a given organization can be distinguished from stakeholders that are only affected by this organization's actions but do not provide resources (Dillard & Vinnari, 2019). The concrete consideration of how future stakeholders can give any resources to a certain organization can be demanding and thus the importance of such stakeholders may not be considered substantial.

The relation between future and dialogue in sustainability is problematic. While dialogue with future stakeholders is difficult, dialogue, as opposed to a one-sided, taken-for-granted understanding of sustainability, has still been presented as assisting in the emphasis of the future (here "progressive change"), as follows. "A taken-for-granted understanding of accountability as an all-purpose, inherently positive solution stifles serious consideration of complex problems and obscures avenues of progressive change, becoming a bludgeon employed in strategic maneuvering and rhetorical obfuscation" (Dillard & Vinnari, 2019, p. 18). The suppression of dialogue is thus not a viable option if future is to be effectively considered. A balance should be found with the promotion of dialogue and the consideration of those inherently incapable of dialogue.

## 2.2. Institutional entrepreneurship in the consideration of future stakeholders

An institution has been referred to as a taken-for-granted structure (Barley & Tolbert, 1997), both a product of and a constraint on action by humans (Giddens, 1984; Sewell, 1992). Barley and Tolbert (1997, p. 96) define institutions as "shared rules and typifications that identify categories of social actors and their appropriate activities or relationships". The relationships with present stakeholders can be institutionalized as being more important than any relationships with future stakeholders that may not even yet exist.

Institutions have often been treated as conducive to organizational isomorphism and conformity (DiMaggio & Powell, 1983). However, structure, and thus institutions, can be perceived as both the medium and outcome of social practices; structure and agency mutually constitute each other (Garud, Hardy, & Maguire, 2007, p. 961; Sewell, 1992). An institutional entrepreneur is someone who is able to take on and shape institutional change (Garud et al., 2002; Greenwood & Suddaby, 2006; Levy & Scully, 2007; Löhlein & Müssig, 2020; Maguire et al., 2004), thus functioning at such an intersection between structure and agency. This implies breaking existing institutionalized rules, practices, or logics and the provision of actionable alternatives (DiMaggio, 1988; Emirbayer & Mische, 1998; Löhlein & Müssig, 2020, p. 2). Functioning as the voice of future stakeholders may require such entrepreneurship.

The field of sustainability appears to have provided ample opportunities for institutional entrepreneurship. For example, Larrinaga and Bebbington (2021) describe how the Global Reporting Initiative (GRI) could be perceived as having assumed the role of an institutional entrepreneur. Moreover, a specific social and environmental reporting initiative within a given organization (Contrafatto, Costa & Pesci, 2019), social entrepreneurs as institutional entrepreneurs (Chatzichristos & Nagopoulos, 2021), specifically transforming nonprofit organizations into social enterprises (Ko & Liu, 2021), and efforts promoting the circular economy (Alonso-Almeida, Rodriguez-Anton, Bagur-Femenías & Perramon, 2021) have been presented as involving institutional entrepreneurship. These have usually been interpreted as moves towards certain identifiable, named, and predefined practices while here we take the consideration of future stakeholders as a more unspecified practice that could still be involved as a part of any of the above-mentioned practices. The

<sup>2</sup> March (1978) explicates the problem of defining the future preferences of decision-makers in the present – not only are the parameters of today's decision unknown in the future, but so are the future tastes and preferences to be materialized when the consequences of the decision are finally apparent.

consideration of future stakeholders could thus represent a relatively nascent form of institutional entrepreneurship in which the categories formed and the practices involved are evolving and being worked on as a work in progress. There appear to be no predefined models of how to (optimally) consider the needs of future stakeholders.

Entrepreneurship that results in deviations from given norms will most likely not be welcomed by those field actors who are committed to the existing ways of working (Garud et al., 2007, p. 960). Resistance is thus expected (Löhlein & Müssig, 2020), particularly in a setting in which those committed to the existing situation are presently existing stakeholders who are demanded to “give way” to future stakeholders, i.e., entities that may not yet exist.

The attempt at listening to present stakeholders can be considered an institution. Present stakeholders have often been presented as important interest groups in institutionalization processes (Garud et al., 2002; Maguire et al., 2004). Powerful present stakeholders could thus themselves be considered to represent institutions. Such stakeholders could, for example, be customers of accounting firms engaging in institutional entrepreneurship (Greenwood & Suddaby, 2006) or AIDS treatment advocates, pharmaceutical companies and communities in the field of HIV/AIDS treatment advocacy (Maguire et al., 2004). The approach in the present study differs from this in that the institutional entrepreneur does not here appear to consider present stakeholder views to a sizeable extent.

Institutional contradictions have been seen as a major force behind institutional entrepreneurship (Clemens & Cook, 1999; Contrafatto et al., 2019; Dorado, 2005; Greenwood & Suddaby, 2006; Seo & Creed, 2002; Sewell, 1992). For example, Greenwood and Suddaby (2006) present a contradiction between conformity to existing field-level conventions, i.e., the provision of only accounting services, and the preference to seek alternative opportunities by providing more multidisciplinary services. The present study focuses on the contradiction between present and future stakeholders. Regarding accountability, the consideration of present and concrete stakeholder needs is institutionalized as important in research (Cooper & Owen, 2007; O’Dwyer & Unerman, 2008; Unerman & Bennett, 2004). Institutional entrepreneurship could in this instance be specifically about the promotion of the needs of future stakeholders. This promotion could even be perceived to contradict accountability for sustainability that has usually underlined the importance of the concrete needs of stakeholders. Being an institutional entrepreneur allows one to look at unexpected, noninstitutionalized points of view, here particularly those of future stakeholders. For example, as technology develops, so should stakeholders’ ways of responding to this development critically and in alternative ways (Garland, Huising, & Struben, 2013). This also resonates with the narrative by Grisard et al. (2020) of how certain actors can follow their own convictions concerning sustainability, regardless of context.

While the interest in the financial is on the increase in the public sector (Thomson, Grubnic, & Georgakopoulos, 2014; Malmrose, 2015), public sector organizations confront multiple complex demands (Larsen & Powell, 2013; Aung, Bahramirad, Burga, Hayhoe, Huang, & LeBlanc, 2017) and therefore are less likely to be as immediately focused on accountability for the financial as are for-profit organizations. Public sector organizations could thus choose to engage in endeavors that appear commercially unprofitable (Ball, Grubnic, & Birchall, 2014, p. 181). Relatedly, public sector organizations have also been claimed to possess potential to lead in their efforts towards sustainability (Ball et al., 2014, p. 176), thus potentially functioning as institutional entrepreneurs.

Organizational focus on sustainability has been seen as seeking a consensus understanding among the organization and its stakeholders (Milne et al., 2006). However, reaching consensus among predominantly short-term oriented organizations and stakeholders may not always be the most effective path towards sustainability. The empirics will show how the case organization was not very interested in reaching such a consensus if that meant sacrificing sustainability and the future.

### 3. Methodology

Acknowledging that terms such as sustainability are unclear and multidimensional, we took a qualitative approach, listening to the actors’ points of view and thus acknowledging the viability of the notion of actor reflectivity (Giddens, 1990; Latour, 1987). Here this approach assumes that certain issues such as “the future” or “sustainability” are accepted as generally acknowledged through social construction (Berger & Luckmann, 1966; Hacking, 2000). The study applies an intensive case methodology, aiming at a rich understanding of the issues studied within one organization (Stoecker, 1991). The specific methods are interviews and the use of archival data.

The case organization, called SustainOrg, is relevant in the present study for the following reasons. It has published sustainability reports since 2002 and has been awarded multiple prizes for its advanced sustainability reporting; thus sustainability is something that has been recognized and can therefore be studied within this organization. As such, the construction industry and the service providers there have been extensively criticized for their unsustainable and even illegal practices, hence this industry forms an interesting context in this respect. Accountability for the future is here used extensively by the case organization’s representatives as a discursive strategy. This case offers empirical material that can be theoretically discussed in the framework of sustainability, thereby helping to answer the sustainability-related theoretical research questions.

Altogether 61 interviews were conducted. Interviews were conducted with personnel responsible for CSR<sup>3</sup> reporting as well as other employees from the executive level to the property managers and experts doing the practical work of the organization. Representatives of multiple stakeholders were also interviewed to elicit the stakeholder point of view on the organization. These outsiders were representatives of service and materials providers, the owner, competitors, customers, and the external community (including e.

<sup>3</sup> Corporate social responsibility (CSR) is a well-known phenomenon in organizations in relation to stakeholders (Windsor, 2006). CSR requires that firms embrace the economic, legal, ethical, and discretionary expectations of all stakeholders, not only financial stakeholders (i.e., shareholders; Carroll, 1979).

g. municipal/city representatives). Several former employees were interviewed to elicit varying perspectives; they had generally left relatively recently and were thus well enough informed on the organization.

Interviews serve well for delving deep into people's existing mindsets and motivations. The interviews were semi-structured to enable the respondents to express themselves through their own meaning systems without excessive external limitations imposed by the interviewers (Rubin & Rubin, 1995). All interviews were face-to-face meetings and, with one exception, with both researchers. All interviews except one were audiotaped and transcribed; one interviewee did not consent to audiotaping and this interview was transcribed immediately after the interview (based on extensive notes made during the interview) by one researcher after which the other researcher provided valuable additions and within the same day both researchers agreed on the final transcript file. All interviewees were asked to suggest additional interviewees at the end of each interview and this snowball sampling method yielded interviewees varying in their critical attitudes towards SustainOrg and its sustainability efforts. Interviewees and other sources of data are detailed in Appendix A.

The interview outline for the SustainOrg (former) employees covered the meaning and importance of "sustainability", "past", "present", and "future" for the employee in his or her work, the implementation of CSR and ensuing experiences, accountabilities, performance measures and compensation systems connected to sustainability, as well as the relations between stakeholders and the organization. The interview outline for stakeholder representatives, on the other hand, covered the interviewee's views on SustainOrg, particularly in relation to time and sustainability, and elicited commentary on organizational practices and accountabilities reflected in light of a more general discussion on sustainability. If a former employee was also a stakeholder representative (not an uncommon combination), interview questions were asked from both perspectives. The interview themes are detailed in Appendix B.

Archival data were also used to gain additional perspectives on the organization. CSR reports in particular were necessary to illustrate the actual output of the CSR process, regarding which interviewees were able to provide more motivational data. Internal SustainOrg documents, materials from the SustainOrg website, relevant histories, stakeholder publications by SustainOrg, publications by SustainOrg stakeholders (such as information on building infrastructure in the area of SustainOrg operations), publications about SustainOrg by the National Audit Office, the main control documents related to SustainOrg by the Ministry of Finance (the Government Premises Strategy and the State Real Estate Strategy), scorecard measures of some of the SustainOrg employees and press coverage of SustainOrg were likewise used.

The analysis proceeded as follows. We began our literature search with a fairly wide interest in the point of intersection between sustainability, accountability, and time focusing then on the intersections between "the past", "the present", and "the future", as such entities emerged from the case. For the analysis we initially coded the case data on the basis of such a division, focusing then on future and present stakeholders because such constructs seemed to be in the midst of the major conflicts in the data. We then noted the tension between what appeared as arrogance, or a focus on the organization itself, in the present and the simultaneous concern for the future. Based on theoretical reflections on the role of stakeholders in accountability and sustainability, we then looked at how such tension could be explained by the conflict between concerns for present and future stakeholders. Moreover, we considered how future stakeholders could in principle be given a voice; this appeared problematic here. In addition to analyzing such issues more generally, we focused on the episode of SustainOrg's "war against the gray economy" as an illustration. We chose the lens of institutional entrepreneurship as it underlined the organization's efforts in promoting future stakeholders' points of view.

#### 4. Empirical data

Section 4.1 provides background on SustainOrg and section 4.2 on the organization's relations with stakeholders. Section 4.3 shows how such stakeholders were viewed as short-term oriented by both stakeholder representatives themselves and by SustainOrg representatives. Section 4.4 then describes the organization's accountability to future, not present, stakeholders and Section 4.5 sheds light on the apparent arrogance exhibited by SustainOrg representatives towards present stakeholders. Section 4.6 elaborates how SustainOrg was even prepared to hurt present stakeholders and Section 4.7 gives a more specific description of the issues studied by showing SustainOrg's "war against the gray economy". Section 4.7 particularly focuses on the institutional entrepreneurship of SustainOrg.

##### 4.1. Background on SustainOrg and its sustainability efforts

The case organization was a Finnish state-owned enterprise under the Ministry of Finance; it commissioned the building of new premises for its customers, renovated its older property portfolio, and acted as the state's professional adviser on construction issues. The organization had 281 employees and its turnover in 2014 was 625 million euros. Appendix C shows a stylized picture of the matrix structure of the organization. SustainOrg did not itself have employees working on construction sites; rather, it functioned through an extensive network of subcontractors – Appendix D outlines the overall network within which the organization operated. In what follows "sustainability" and "CSR" are used synonymously because the interviewees mostly favored using these terms interchangeably. The precise differences between these notions are beyond the scope of this study.<sup>4</sup>

The managers of the case organization focused heavily on sustainability, and many of them explained elaborately how they worked

<sup>4</sup> CSR has been seen as a term related to more limited and focused endeavors as reported by corporations, while sustainability is tied to a more encompassing view; value judgements on the state of the world and rethinking the organization of society as a whole (Moneva, Archel, & Correa, 2006, p. 126).

hard in order to inculcate sustainability into every part of the organization as an integral part of all of its operations and strategy. Every task done in the organization, should, ideally, be imbued with sustainability. An interviewee referred to this as being an umbrella concept that was meant to cover all operations.

SustainOrg had not initiated sustainability efforts due to immediate pressures, for example, from the state, the European Union or consultants; instead, its interest in modern sustainability initiatives had originated within the organization itself beginning from the 1980s and motivated by the “spirit of the times” more generally as it was termed; as a desire to achieve something new and different within the organization. Currently, on a concrete level, sustainability was represented by how these issues were implemented in actual construction and repair work: it was the so-called “rubber boots section” (in the words of one interviewee), the people responsible for implementation at lower levels of the organization, who were acknowledged as particularly important in realizing sustainability. In relation to this, an employee demonstrated, by showing actual minutes of customer meetings, how he and his team went through sustainability-related practices tied to issues such as energy consumption, waste management, and safety at work as routine procedures in meetings with all their customers in an extremely concrete way. A former employee noted that “if SustainOrg was a citizen, it would go and lift up any fallen granny”.

An interesting detail in the interviews was the recurring comment that sustainability resulted in the organization aiming to actively decrease its sales (i.e. the amount of floorspace in the premises at its disposal) in order to increase the efficiency of the use of buildings; a very different attitude from the usual one in business. A large part of the organization’s strategy of saving space in state office premises was its practice of altering those offices from “one-person-per-office” arrangements to “multi-space work environments”, in which nobody had a dedicated office of her own but the space was divided into larger segments such as areas meant for group work, quiet work, informal mingling and events involving large numbers of people.<sup>5</sup> The interviewee below reflects on the fact that the organization had itself pioneered the introduction of such work environments – even the CEO of SustainOrg did not have an office of his own, either in the corner or anywhere else.

“I think it is very good and significant... that [SustainOrg] has created... a multi-space work environment in its own office premises. I know a couple of companies that also offer [such environments], but they have done nothing yet in their own offices. Credibility is at stake there if you say that this [multi-space work environment] is entirely good and modern... and then you yourself have nothing [of the sort], very traditional [offices]. It appears that SustainOrg got a head’s start in this over the others.” (Service and materials provider, Representative of an environmental organization)

A director of the organization said that the time frame at the organization could be hundreds of years into the future, looking at the real estate it built and maintained – the idea in state facilities was long-term use, not the sale of the real estate for profit. The quote below also shows how the future was constructed at SustainOrg.

“The building management business, by itself, is necessarily long-term planning... When we build a new building, our minimal thought about the length of its life cycle is 40 years financially and technically much longer. For the most remarkable novel buildings,... like the Music House, the starting point [for thinking about age] is 200 years... Then if we look backwards... Castles from the Middle Ages have now 500-year lifecycles behind them. And we do not have any other possibility than to think that [they are going to have] at least another 500 years ahead of them... [In addition,] in scenario work,... we try to formulate to ourselves, how we should act today, [if we think about] those who continue after us, in 2020, 2030, 2050.” (SustainOrg, Chief Operating Officer)

SustainOrg representatives underlined how they constructed the future as more important than the present. One interviewee mentioned that when he had done proper work which he himself deemed sustainable, he did not need to worry about his phone ringing in the future with complaints about work badly executed or about something completely neglected. Another interviewee explained:

“The long-term goals were always how to retain customer satisfaction, how to also have costs under control, perhaps even cut them from the original level planned... All the time the thoughts were that the long-term goals were imperative, but [such goals] were implemented in daily small decisions... One could not make such “eyes shut” –decisions for the short term, like “I just feel good to do this now, no matter what happens in the future”. Because what you leave behind you always find in front of yourself.

<sup>5</sup> These multi-space work environments are not the same as traditional open-plan offices. Such open-plan offices are generally acknowledged by SustainOrg and other actors in its field as outdated and unfortunate failures in building design. While conversion into open-plan offices typically simply means moving individuals into large spaces, the installation of multi-space work environments first entails an extensive study of the multiple functions the building houses, then an in-depth analysis of how such functions could be implemented in ways that use less space, and only then the implementation phase. In multi-space work environments, employees who need individual rooms are given them, although, for example, if these employees do not need the same room every day, this room may vary from day to day. However, if a certain employee needs one specific room every day, this can also be arranged. Multi-space work environments are meant to provide opportunities for employees to concentrate while also giving them access to the social environment when needed or appreciated. Multi-space work environment design typically goes hand-in-hand with information technology updates that emphasize more mobile ways of working, such as the use of laptops and hand-held devices instead of less mobile computers. Actors in the construction field consider these novel work environments to represent novel ways to think about ways of working. Moreover, their potential to effectively save energy and thus help to combat climate change, having extremely beneficial consequences for the natural environment, is widely acknowledged in the field.

That kind of a big picture must always be retained in the mind... One could not think that I will just do these routines somehow, and that is all. I always had the big picture in mind.” (SustainOrg, Former Manager)

#### 4.2. Stakeholder relations

The state with its several roles as the owner, client, and regulative authority was the most important stakeholder for this organization. The Ministry of Finance was responsible for both the substance-related and governance control of the organization. SustainOrg’s services were provided almost exclusively to government bodies; the clients of the organization included, for example, ministries, research and cultural institutions, such as the Finnish Heritage Agency, state administrative bodies and agencies, such as the police board and tax administration, and the defense and security management of the state. The case organization was the state’s in-house service unit operating according to commercial principles, thus forming a hybrid between the market and the public sphere.

The organizational representatives saw themselves as following – and leading – the development in the field of construction. As the organization was state-owned and the country’s largest owner of commercial property, its role was felt to both enable and obligate it to assume the position of pioneer in the field. One SustainOrg employee proudly explained how in a recent meeting a representative of a service provider had said that other large actors in the industry first followed what SustainOrg did and then adopted procedures similar to those used at SustainOrg. The following quote also illustrates the expert and societal roles of the organization.

“SustainOrg is such a force in the construction industry... All consultants do [their work] according to its formulas and specifications and it is a large client..., of course it has an influence... And in the [Finnish] construction industry, the systematic handling of sustainability issues really originated from SustainOrg.” (Former consultant for SustainOrg)

In general, SustainOrg was perceived by its stakeholders to be convincingly sustainability oriented; it was not seen to be only greenwashing but genuinely contributing, or at least making a very serious effort to contribute, to sustainability within its network and in the industry as a whole. The CSR reporting by SustainOrg was acknowledged by many stakeholders as advanced and convincing. In addition, for example, the development of the entire construction industry and the development of the work environment of the state received appreciative comments from stakeholders. A competitor representative said that certain other large actors in the industry were in their infancy regarding sustainability compared to SustainOrg. The following quote also illustrates the organization’s efforts.

“For example, SustainOrg has really contributed a lot to this fight against the gray economy. And I think SustainOrg has really invested a lot, for example, in solving these indoor air problems, developed [diagnostic] methods... and processes... I emphasize this regarding SustainOrg, the power of its example, and that it is all in its actions. The targets are a part of its *modus operandi*.” (Representative of a customer, Former SustainOrg employee)

Indoor air quality had become an important health issue in Finland; it turned out that many buildings had actually become unhealthy to live and work in due to inferior construction and building service practices. The many chemicals used in buildings, mold toxins, and microbes as well as their combined effects related to the causes of serious illnesses such as multiple chemical sensitivity, severe asthma, and autoimmune illnesses. Such indoor air issues were thus integrally related to health and safety in public buildings.

SustainOrg invested a lot in indoor air repairs and had a formal process for dealing with such issues; whenever an issue was detected, a team composed of experts and those affected was gathered and the issue was tackled. If necessary, the organization was also ready to rapidly relocate hundreds of state employees from buildings deemed unhealthy. A member of the board specifically mentioned how the CEO of SustainOrg had meritoriously and proactively raised indoor air problems at board meetings. The CEO himself perceived these health issues to be fundamental, for example, in trying to recruit new state employees.

The organizational representatives acknowledged difficult conflicts between the quality of indoor air, maintenance of buildings of historic or social value, accessibility, energy savings, and other purely financial concerns; an employee referred to this as a difficult puzzle to solve. An example of such conflicts could be that between improving energy efficiency and the efficiency of the use of premises on the one hand and maintaining the social value of the good quality and healthiness of indoor air on the other. As another example, high-quality renovations of valuable historic buildings were presented as more expensive than implementing only the basic minimum repairs: there was a perceived conflict between the short-term yield and being responsible for the long-term historic value of buildings. Moreover, as one interviewee pointed out, while it would be energy-efficient to simply demolish old buildings, this would not be culturally historically desirable. The quote below further explicates such a conflict.

“[There are buildings like] a castle [from the 13th century]. Such a building one cannot really measure with financial measures like a basic office building... Such a building one cannot make energy efficient no matter what the investment. In such specialty properties... we have to make value choices. As for all of us Finns, the whole society, taxpayers, it is important that [for example] the National Museum is retained and sustainably maintained.” (SustainOrg, Member of the Board, Representative of a service provider)

#### 4.3. Stakeholders as short-term oriented

Interestingly, many stakeholders were perceived as too ready to ignore the demanding conflicts. They were construed by organizational representatives as interested in their own short-term good; for example, customers often talked about savings, not

understanding their long-term consequences; that is, deterioration in the quality of their premises. Similarly, service and materials providers were typically construed as short-term oriented, interested in their present contracts and in the most cost-efficient ways of maintaining existing buildings and constructing new ones. Many of the organizational representatives felt that these stakeholders considered their accountability as mostly accountability to only themselves and savings, through the efficiency discourse. For example, an employee of SustainOrg explained how customers wanted quality premises but such customers also viewed that the level of quality should not affect the rents those customers paid for them. The following quote further illustrates the savings and efficiency discourse by customers as experienced by SustainOrg representatives.

“If we say that “we could make your office building very energy efficient, but the repair is larger. Are you ready to participate in the form of a [larger] rent to the repair costs?” Then the answer usually is: “[This is] a good cause, but we do not really have money, we are not ready to invest in that.” And this is such a matter of conscience that we now face everywhere with our stakeholders. They talk beautifully about sustainability, but when they should open their purse then they [suddenly possess] very limited opportunities [with an attitude like]: “This sustainability should be implemented [using] someone else’s money, not mine”.” (SustainOrg, Chief Operating Officer)

It was also acknowledged that customers were not unitary entities and that within a certain customer organization there could be individuals with their own agendas that were sometimes perceived as very short-term oriented. The following quote refers to this.

“Perhaps the greatest challenge was how we could make our customers understand the [needs of the] future. The space is built to last many decades... and then when the space raises strong passions in users... and when doing participatory planning in which the current customers are involved in planning, there is a lot of fear and resistance to change that have to be managed... and then we arrive at what the individual needs. And the [current] needs of the individual may override the future needs of the organization.” (Former SustainOrg employee)

Customers were under financial pressure due to the shortage of money in the state administration, and this was reflected in the customers’ attitudes to rental expenses. In addition, customers were reluctant to commit to certain premises long-term. This was because many of the changes they encountered were due to the government making rather unexpected choices that affected them; it all depended on the results of the parliamentary elections and on which political parties were in power at a given time. A customer commented, for example, on how seven years was “an insanely long time to forecast the operations and the organizational units and the number of personnel”.

As noted earlier, service and materials providers were also construed as short-term oriented. The structure of the entire industry was seen to contribute to the quality problems. An employee illustrated the focus on short-termism and especially on saving money in the industry instead of trying to build good quality by citing an example from the field of space travel. He suggested that if the first moon rocket had been assembled so that every single piece of it would have been made from the cheapest materials possible, perhaps nobody would have wanted to board that rocket to go to the moon. However, according to him what would not work for space travel seemed to be the prevailing practice in the construction industry. This could have catastrophic consequences for people’s health. Some of the service and materials providers themselves acknowledged the emphasis on cost savings and financial performance. The quote below illustrates this phenomenon.

“The task of SustainOrg is to make sure that we build real estate that lasts. And... the planners and consultants and construction companies, for them it is just a project. The earning logics and time orientations are different. For some it is like an undertaking or a project or a deal and then there is the investor [SustainOrg] for whom it is one hundred years.” (SustainOrg, Member of the Board, Representative of a service provider)

Service and materials providers were moreover criticized for not understanding the difficult conflicts described above. For example, the quote below shows that these actors tended to shirk long-term responsibility to ensure their short-term profitability; indifferent to whether the building was eventually safe to use as a result.

“The short term, there are conflicts there... Some warranty periods, you could say that they are excessively short for this kind of a product [such as a building]. About them you could have thought that they could be [lengthened]... They lengthened during my employment, from one year to two years, but it is a very short time, you cannot truly trim the real estate reasonably in that time so that the worst problems that may be hidden, would reveal themselves. Then you come to the responsibility lasting something like ten years [that should be required]. And then [after those ten years] the service and materials providers usually increase the use of those kinds of dishonest practices so that they shirk their responsibilities for different reasons.” (SustainOrg, Former CEO)

Regarding indoor air problems, SustainOrg representatives often said that it was difficult to determine who was at fault due to the complexity of such problems. However, materials providers were sometimes accused of choosing materials that had not been properly

researched and thus produced volatile organic compounds (VOCs), gases with negative effects on people's health. Indoor air problems often resulted, at least in part, from building maintenance practices aiming at cost savings, including shutting down air circulation in public buildings after office hours, and SustainOrg representatives felt that customers might favor such practices, thus perceiving the customers as unknowledgeable and short-term oriented.<sup>6</sup>

#### 4.4. *Accountability to future, not present, stakeholders*

SustainOrg was perceived as developing better working environments and construction and service processes to meet its stakeholders' future needs. SustainOrg representatives felt accountable for sustainability to future (not present) stakeholders' needs – present stakeholder needs were seen as more of a nuisance, as described earlier. Related to future stakeholders' needs, an employee said that in a changing world he did not wish SustainOrg to be “caught with its pants down” but that it should “proactively change in due time beforehand”. The need to be one step “ahead of the customers” was also mentioned in this connection. A comment on answering questions before they are asked is also shown below.

“Perhaps ten years ago it was not considered... but today we see that there is a genuine demand for responsibility in business. And as we can now say that we have already been doing that for such a long time... This kind of a rise in conscience and ethicality, which is really welcome... so, our way of doing things answers the questions before the questions even emerge.” (SustainOrg, Chief Operating Officer)

“Future generations” were also repeatedly explicitly brought up at SustainOrg and this element in the most common definition of sustainability (WCED, 1987, p. 43) was referred to by many SustainOrg employees in their own words flexibly in between other issues discussed. For instance, one interviewee mentioned that there would be no forgiveness from future generations if emissions and fossil energy consumption were not reduced enough, for example, by using multi-space work environments. Another interviewee defined “accountability” on the basis of future generations, as follows:

“Accountability means that we do not destroy what we have but we cherish it so that it will also be preserved for future generations or for the future.” (Former SustainOrg employee)

SustainOrg employees also stressed that SustainOrg needed to be accountable to “future people”, not only people in the present. “Future people” were thus explicitly mentioned many times as potential stakeholders. A quote on this follows.

“I feel accountable to humankind in such a way that those old buildings are like the heritage that we have received from those people who preceded us and we should pass it on to those people who will come [after us]. In an earlier job [also related to building heritage], we thought about this idea of the customer, like who is the customer, and we ended up with something all-embracing like “our customers are all those who have ever been and who will be in the future”. (Laughs) I think that the long-term perspective is very relevant: [at SustainOrg] we do not work just for this moment but also for the future. So that those future people would also have those buildings in place.” (SustainOrg, Manager)

Accountability was not to present stakeholders. When producing service solutions, the case organization representatives claimed to take account of the overall interests of the state. “The common benefit for the state”, and for taxpayers, emerged as being mindful of the long-term perspective, instead of unduly appreciating the short-term profitability of single projects. Sometimes individual customers did not benefit from this directly. The CEO explained:

“The common benefit for the state is the guiding light, not the benefit of one individual client... I could say that from my point of view this is like a big puzzle where not all the pieces necessarily fit in very well. So, you have to press them [into the puzzle] forcibly to achieve the common benefit for the state. In that case, some clients may find the situation unpleasant from their point of view.” (SustainOrg, CEO)

#### 4.5. *The arrogance of SustainOrg*

SustainOrg representatives often did not construct their stakeholders favorably. This was seen in many interviews with organizational representatives. For example, a SustainOrg employee explained how service providers were “up to all sorts of antics” and how

<sup>6</sup> Appropriate building maintenance would most likely have been much less costly to society than the treatment of the sick people afterwards. Many people who suffered from indoor air and became sick (the employees working in public buildings) were not the same people who made decisions on these savings measures (the general and building-related decision-makers in public organizations).

this employee had no illusions about that. Historic buildings had recently been transferred from customers to SustainOrg by government decree, and an organizational employee noted that customers had previously accomplished very little of substance in this area, not creating any real impact, as these customers lacked the resources that SustainOrg had.<sup>7</sup>

Stakeholders had also noticed the occasionally condescending attitude of the SustainOrg representatives towards them. A former employee called the organizational representatives “arrogant”, as the largest and most influential property owner in the country. A representative of a service and materials provider would have preferred for SustainOrg to co-operate more effectively with subcontractors; he claimed that currently the cooperation with SustainOrg largely meant SustainOrg just deciding how subcontractors could help it (i.e., which measures the subcontractors should include in their reports), not asking those subcontractors how they might perceive the co-operation between themselves and SustainOrg. The interviewees also mentioned that sometimes SustainOrg representatives seemed to know the answers before even asking stakeholders. The following quote shows this.

“I think that a little is still missing in that [SustainOrg representatives] would genuinely ask the customers... [Those representatives] already know the answers before they come to ask.” (Representative of a customer, Former SustainOrg employee)

Relatedly, it was acknowledged that SustainOrg had attempted to educate its stakeholders. In fact, the representatives of SustainOrg were known to tell the stakeholders fairly plainly what those stakeholders should be doing. For example, one former employee and stakeholder representative said that instead of fulfilling customers’ needs, such needs were defined for the customers; for example, SustainOrg might tell customers that these customers did not want separate offices for every individual but multi-space work environments:

“It changed a lot during my employment of ten years, earlier we, one could say that we splurged, we did what the customer wanted rather than us directing that customer. However, that changed later so that we began to tell the customer that you do not really want that, you want something else.” (Former SustainOrg employee and former stakeholder representative)

Another interviewee described how the former CEO would go ahead and “educate” fairly senior state officials:

“In my opinion, [the former CEO] was good at that. When he attended a hearing of some committee in Parliament, he would tell [the committee members] how things really were. [His attitude was such that] “as you [the committee members], unfortunately, know nothing”, he would go there with the manners of a university principal [and educate them].” (Representative of a competitor, Former SustainOrg employee)

Organizational representatives felt that the stakeholders did not know at present what would be good for them in the future, and the organization was perceived to know this. As the stakeholders were felt to predominantly seek financial gains, the organization was perceived as the one that would keep the premises in good shape and maintain historic buildings so that their value would continue to bring joy to future generations. Stakeholders often presented conflicting requirements and SustainOrg alone was perceived to possess the expertise to judge the relative importance of each claim and the exact measures to be undertaken in each situation. The following quote from an employee exemplifies some of the talk on stakeholders.

“The service and materials providers... are rather passive,... honestly, rarely does there arise a situation [in which] they would [suggest] that we could do [something] so much more responsibly... We all [at SustainOrg] try to challenge our service providers... to try to develop ourselves [regarding sustainability], but the input from them is not very substantial.” (SustainOrg, Chief Operating Officer)

When asked how service and materials providers had influenced SustainOrg in improving its sustainability, many interviewees said that the direction of influence went the other way: it was SustainOrg that influenced the service and materials providers. This was acknowledged both within the organization and outside it.

#### 4.6. SustainOrg’s willingness to hurt its present stakeholders

The arrogance of SustainOrg did not mean that it simply passively ignored its present stakeholders. Instead, it actively implemented practices meant to be sustainable in the long term while hurting its stakeholders in the short term. For example, decreasing the space at SustainOrg’s disposal also tended to decrease the space allotted to customer organizations and their employees, making such employees more dissatisfied. The quote below illustrates this.

<sup>7</sup> The role of the state as owner was the predominant role for which the state was not criticized. It could be that SustainOrg representatives appreciated this stakeholder most due to its power to allocate the organization resources, but criticism may also have been lacking simply because this stakeholder was detached from the practical day-to-day conflicts with the other stakeholders that the organizational representatives experienced. Moreover, the idea of state ownership served the discourse of sustainability in the organization; SustainOrg could not go bankrupt, was not listed on the stock exchange, and was thus “above” the daily struggles for survival experienced in non-state-owned companies.

“Energy efficiency [is a part of CSR]... We decrease the building expenses of the state. It is a sort of a part of and a perspective on CSR. Of course, problems are caused by the issue that our customers may then feel that the compression of space is negative for them.” (SustainOrg, Employee)

During the study period, SustainOrg came in for a great deal of criticism in the press for charging customer organizations high rents. SustainOrg’s position was mainly that the rents were meant to cover maintenance and repair costs and thus their relatively high level actually indicated a welcome acknowledgement of and preparation for necessary building repairs and thus a long-term investment strategy. An outside consultant also acknowledged that the rents were necessary for customers to retain a certain understanding and appreciation of the magnitude of the maintenance costs required:

“There has been a lot of [public] discussion that SustainOrg sends too large bills to... universities [and other state entities]. [The public discussion goes like:] “Oh this is so terrible, that SustainOrg takes state budget money for such buildings...” But the cost consciousness [of customers] does not emerge otherwise [than by making such costs visible], this is my personal opinion.” (Former consultant for SustainOrg)

Respondents at SustainOrg also sometimes reported that service and materials providers were clearly not happy with how SustainOrg imposed requirements on them. SustainOrg required service and materials providers to report on several different issues, including but not limited to figures on waste management and gray economy. Here an employee of SustainOrg acknowledges that the organization was losing many service and materials providers because of such harsh requirements.

“I think that service and materials providers have... not been very satisfied, because they receive quite a lot of requirements and restrictions... I think that many service and materials providers have been rather tense... [They think like] “again some” [new restrictions]... Many smaller subcontractors are no longer able to do business with us..., because the [action] models of CSR are so burdensome for them... It does make our subcontractor list more concentrated.” (SustainOrg, Employee)

SustainOrg had also implemented a Reward-Sanction system in which service and materials providers received rewards for meeting targets in terms of (1) energy consumption, (2) ratings in customer satisfaction surveys, and (3) technical quality standards (e.g. regarding the extent of filling out service records). Conversely, these providers would incur monetary sanctions if they did not reach these targets.<sup>8</sup> Such sanctions had also actually been imposed.

#### 4.7. *The war against the gray economy*

This section describes SustainOrg’s “war against the gray economy” in order to present an example of how SustainOrg worked as an institutional entrepreneur in order to achieve what it perceived to be accountability for sustainability in the long term instead of accountability to stakeholders in the short term. The gray economy, i.e., tax evasion, had been institutionalized in the building industry. This was usually implemented by employing workers without legal employment contracts on building sites so that taxes could be avoided. However, SustainOrg had recently initiated professional practices meant to “make war” (as the employees of SustainOrg termed it) on such a gray economy. An employee explained that the purpose was to “hit hard” at the gray economy. The following quote also shows that the organization was serious about this in terms of implementing real actions.

“During this year we have taken such a stand on this gray economy and white-collar crime<sup>9</sup> that we do not allow these on our building sites and we have implemented checkups this year and sent warnings. It is not just by letter but we have intervened for real.” (SustainOrg, Director)

SustainOrg, particularly its internal control division, had thus initiated a practice for carefully checking the required work permits and tax certificates of all workers employed by all its subcontractors on all its building and service sites. In relation to this, the organization had also established penalties for those subcontractors employing illegal immigrants or otherwise employees whose salaries were not appropriately taxed. The following quote illustrates this.

“The war against the gray economy which has been started...So, I am sure we are the first who have included fines in the contracts and really, along with the checks on the building sites... I think ten checks have been made this year [by November 2013]...<sup>10</sup> I receive a report on those checks, and I monitor that those invoices and payments are also made... (SustainOrg, Manager)

<sup>8</sup> The rewards were made to specific field employees of the partner company, while the partner company would pay the potential sanctions, not its individual employees.

<sup>9</sup> White-collar crime was sometimes taken as synonymous with the gray economy and sometimes as a wider term, also encompassing, for example, money laundering.

<sup>10</sup> Here the interviewee refers to the earliest advances in these practices and the “10 checks” referred to here thus represented only the beginning of the practices. All checks had been extensive and required a lot of work, work of a type not executed earlier.

It was said that this “war” was very important as SustainOrg employed indirectly 5,000–7,000 people annually on its various sites. The organization was the largest real estate owner in Finland and it had introduced these practices in all its building and service sites throughout the country. The interviewees generally considered the actions to be impressive and extensive on a countrywide scale. These actions were a part of the professional work that SustainOrg was charged with.

The organization was unable to outsource such actions as this practice of monitoring subcontractors was unprecedented in the field. There was no other organization that the case organization could turn to and trust that the associated tasks would be reliably performed. The implementation of such novel tasks in institutional entrepreneurship was perceived as the core competence of this specific organization. SustainOrg was charged with the control of its subcontractors that would then be accountable for the implementation of the actual work. As an organization of a little less than 300 employees, SustainOrg also did not have the resources to insource the actual construction and maintenance work implemented by the thousands of employees of its subcontractors. Nor did the state deem it appropriate to buy all the construction operations of all the subcontractors in order to take control of these operations: rather, subcontractors were meant to function as private companies, subject to market pressures, while SustainOrg would provide them with direction, for example, regarding the position against the gray economy.

The war against the gray economy was sometimes talked about as “client responsibility” that meant the responsibility of SustainOrg to use responsible and pre-approved service providers, both on the construction sites and for the more routine maintenance work. SustainOrg had also prepared guidelines and its own contract templates and terms that supported this “war”. The requirements in these contracts were above what the law required. Certain SustainOrg employees had the number of check-ups as a measure in their performance measurement and compensation systems. One employee described this “war” as the avoidance of “slave labor” on SustainOrg sites, and the exposure of potential money laundering and other byproducts of the gray economy were also tied to this issue. As a part of the process, attention was paid to access permits, work gear, worker training, and safety measures on sites. All this was acknowledged to be costly and labor-intensive for SustainOrg. The board had also been active in supporting actions against the gray economy; for example, a board member talked about “zero tolerance of white-collar crime”. The CEO described the situation:

“In terms of the gray economy we have done a lot..., paperwork looks good, we started check-ups on sites, eleven extensive checkups were made last year [2013]. Notices were issued, fines were sent to be billed, this year [2014] we are implementing three times as many check-ups... But even that is not enough. When we consider such an enormous mass [of buildings], it takes time.” (SustainOrg, CEO)

Practices of the gray economy had continued for a long time, allowing higher profits to be earned. Such practices were thus deeply institutionalized in the industry. The practices were sustained because actors in the industry had previously agreed to such practices as norms that supported others in the industry. Opposition had been rare. SustainOrg was now a contrarian and could be seen as positively self-assured when implementing such contrarian practices. SustainOrg thus moved against the entire institutionalized culture of the industry by itself, hurting others in the short term. The quote below elaborates on this.

“[The war against the gray economy] can be considered to be quite a tough call. But it must be necessary, because otherwise we will function as always and others [in the industry] as always. And it has been seen that the old habits do not get changed by themselves, the culture could not change from the inside.” (SustainOrg, Manager)

While industry representatives and others had previously said that the gray economy may not be beneficial, no-one had actually acted to put a stop to it. SustainOrg was acknowledged as the first entity to introduce actual practices in this sphere; an institutional entrepreneur. Its actions were thus considered rather unexpected in the industry. SustainOrg was now testing how the subcontractors would react to this: would they comply or would they try to avoid contacts with SustainOrg, perhaps trying to push the organization out of the industry?

“I suppose that we are the first to do it this way, we really do those checks and issue those fines... Well, it really is unclear how this construction work culture will take it, will the [construction companies] make us outcasts, it really is testing.” (SustainOrg, Manager)

Representatives of SustainOrg acknowledged that such a “war” was against the institutionalized practice in the industry and that several service providers were thus expected to suffer from this. It was thus acknowledged that SustainOrg could have difficulties in finding service providers and receiving bids from them. The quote below illustrates this risk that SustainOrg was taking.

“We will put this gray economy and white-collar crime and such to a crackdown. We have rather strict safety-related contracts and such. They are so strict that we do not know if anyone will dare to make us a bid any longer.” (SustainOrg, Area Manager)

However, SustainOrg representatives appeared very willing to risk negative consequences to SustainOrg. This was justifiable to them as long as the overall consequences were expected to be positive in the long term. Any institutionalized present stakeholders’ needs regarding the continuation of the gray economy were ignored while the future needs of the industry were prioritized. The quote below shows how service and materials providers had complained but to deaf ears.

[In the industry] it will perhaps still take time before all of the fines and penalty clauses set by us gain acceptance... It has been like..., [service and materials providers say] “we have done these well so far, why do you need to penalize us for these?” So that they learn. Not only carrots, we also have sticks to offer. (SustainOrg, Director)

The needs of future stakeholders were mostly defined by the organizational employees in this case. These future stakeholders could be considered to include: the state, citizens as taxpayers, workers in the industry, and other industry stakeholders. The state clearly had an interest in collecting the maximum amount of taxes that the law demanded. Moreover, taxpayers outside the construction field appreciated the effort to collect all taxes due. This was because failure to collect taxes in the construction field would result in an increase in the proportion of taxes paid by citizens and taxpayers outside this field and perhaps even in an increase in the general tax rate. Furthermore, as the gray economy was usually associated with “informal” workers who were perhaps not provided with the best gear, training, or insurance, abolishing the gray economy would also mean an improvement in working conditions and safety at work. This would potentially enhance the professionalization of the entire industry. In this connection, the tax authorities, the police, the workers’ unions, and public authorities concerned with safety at work were mentioned as increasingly important stakeholders. In addition, the objective was to cut ties with problematic service providers and focus on the responsible ones.

Certain selected present service and materials providers with current institutionalized positions may thus lose their positions and suffer here at the expense of future stakeholders such as taxpayers and workers. The concrete institutionalized positions of present stakeholders were sacrificed so that the more silenced stakeholders, whose existence had not perhaps been paid attention to before, were now heard.

## 5. Discussion

In the case, an organization promoting a sustainability ideology appeared compelled not to acknowledge its present stakeholders’ needs as they were considered short-term oriented. As present stakeholders were usually assumed not to provide indications of the needs of future stakeholders, the organization had to decide for itself on its courses of action in fulfilling its accountability to such future stakeholders. In this, organizational representatives took the initiative to exhibit institutional entrepreneurship (Garud et al., 2002; Greenwood & Suddaby, 2006; Larrinaga & Bebbington, 2021; Levy & Scully, 2007; Löhlein & Müssig, 2020; Maguire et al., 2004). The organization thus appeared arrogant towards its present stakeholders, seemingly paying more attention to itself than to the immediate needs of others. This resonates with the narrative by Grisard et al. (2020) on how actors can deliberately choose to follow their own sustainability-related convictions despite outside pressures. The situation presented is partly contrary to much of the sustainability and accountability literature focusing on the importance of satisfying stakeholder needs (Cooper & Owen, 2007; Shearer, 2002; Unerman & Bennett, 2004).

Stakeholders can be, and indeed often are, short-termist and focused on their own selves (Unerman & Bennett, 2004). This also points to an interesting twist in stakeholder theory (Freeman, 1984; Freeman et al., 2010) and the sustainability and accountability literatures: stakeholders are not considered or required to be “ethical”; their major role is to voice their own concerns, not the concerns of any of the other stakeholders. In effect, the discourse on the importance of stakeholders amplifies this self-satisfaction among stakeholders. Stakeholder needs are often contradictory to each other, and one stakeholder group would not back down in favor of another stakeholder group’s privileged needs. As an example, those suffering from poor indoor air in a relatively new building would not want the investments promised to be used for repairs in such a building to be invested instead in the maintenance of an historic building or in expunging the gray economy. Moreover, those appalled by the condition of a specific historic building may not wish for any money earmarked for that building to be used instead to fix indoor air problems in another building. According to stakeholder theory (Freeman, 1984; Freeman et al., 2010), each stakeholder group should favor its own interest only, rather than focusing on the interests of others. Such a situation also appears institutionalized in this case.

If present stakeholders are not working for sustainability, it may not be beneficial to cater to their wishes. For example, the stakeholders of SustainOrg sometimes lacked the technical knowledge of buildings to really judge the merits of the decisions on buildings regarding the present and particularly the future (resulting, for example, in their shutting down the air circulation in order to save money). Similarly, when service and materials providers appeared to condone the gray economy, cooperation with them could be seen as based more on penalties than positive trust. Such cooperation would not mean cooperation on the industry’s institutionalized terms, but on the terms set by the case organization itself, an institutional entrepreneur, in a rather one-sided way. The stakeholder theory (Freeman, 1984; Freeman et al., 2010) and accountability literature (Cooper & Owen, 2007; Dillard & Vinnari, 2019; Unerman & Bennett, 2004), while rightly promoting stakeholder interests, may not consider some more exceptional circumstances in which stakeholder interests may not need to be taken into account at least in the shorter term.

It is also worth noting that the organization did not go against the wishes of absolutely all its present stakeholders. Certain present stakeholders, mostly the state as the owner, supported the organization’s actions. Funding was thus provided to the organization when it managed to convince state representatives that it was working for sustainability and for the future. However, organizational representatives emphasized that the organization had itself decided to act against the gray economy, and that such action was not due to any pressure from the owner.

It appeared that both the stakeholders and SustainOrg were focused on themselves. Stakeholders required savings and short-term fixes for themselves while SustainOrg representatives envisaged the industry’s future of sustainability and tried to make their own choices to reach that future. Of course, SustainOrg representatives were not entirely sincere in their desire to “do good”; they guided the industry’s future so that they themselves would be in the lead, consolidating their powerful position. The sustainability discourse was a means to this end. However, it appeared that in the process SustainOrg representatives also managed to achieve certain fairly favorable outcomes for the industry as a whole.

It was shown how organizational representatives met the challenge of institutional entrepreneurship in their industry. Holding actors accountable for the future could be seen as unfairly demanding (Peecher et al., 2013). However, SustainOrg representatives did not appear to feel this way; they appeared serious about accountability for sustainability, for the future, and for predicting the future

(Jordan & Messner, 2020; Tetlock & Kim, 1987) as accountabilities involving tasks that naturally belonged to them, not shying away from such accountabilities. The organizational representatives appeared to liaise with future stakeholders, an implied construct, against present stakeholders. Such a liaison could take place whenever organizational representatives needed an ally against such present stakeholders, for example, when they had to justify to the owner why they ignored institutionalized present stakeholder demands. Surprisingly, while future stakeholders might not often be conceived to provide organizations with concrete resources (Dillard & Vinnari, 2019), such stakeholders could thus provide immaterial resources to the case organization.

Fighting the gray economy may sound trivial: of course, one may think, the gray economy is “a bad thing” and should thus be discouraged as much as possible. However, it is not trivial to make a decision to start imposing penalties on one’s close stakeholders and actual colleagues based on institutionalized practices long considered a normal part of the regular operating environment. Here the case organization, as an institutional entrepreneur, was going against almost everyone in its immediate surroundings. The state did require this of the organization, but the state representatives were relatively distant from the organization and its daily operations. Here a more distant stakeholder was thus making demands to disseminate in the day-to-day actions against many other closer stakeholders. The case organization’s decision here was that it went against its immediate stakeholders of its own accord. Thus the organization functioned here as an institutional entrepreneur in its industry in order to alter accountabilities. These accountabilities were altered from focusing on the interests of the present stakeholders towards future stakeholders. This was thus a step forward from the accountability literature with its legitimate interest in the demands of present stakeholders considered to help understand those of the future stakeholders (Cooper & Owen, 2007; O’Dwyer & Unerman, 2008; Unerman & Bennett, 2004).

Existing stakeholders, such as the state, can be seen as institutions or as representing existing institutions (Garud et al., 2002; Maguire et al., 2004). Here an organization becomes an institutional entrepreneur considering parties whose interests may not yet exist or at least may not be clearly articulated. The organization thus participates in the creation of new institutions: interests not earlier considered. With this progress, perhaps we will later see a world where future stakeholders’ needs are institutionalized more generally. This is difficult to see now as this institutional work is still in progress.

Present stakeholders did not wish changes in institutionalized norms (Garud et al., 2007, p. 960) that would force them to “give way” to what they considered abstract future stakeholders. How did future stakeholders differ from the present ones? These two stakeholder groups were not perceived to be entirely different: future stakeholders were generally assumed to be partly the same as present but better off in terms of the professionalization and the improvements of the working conditions in the entire industry. However, the “war on gray economy” did underline more than before the importance of individual workers and improving their situation, as well as taxpayers. Such stakeholders had previously been rather silenced. Moreover, stakeholders not complying with the gray economy directions of SustainOrg would be removed from the organization’s service and materials providers’ list.

In a way, the organizational representatives were placed in an “impossible situation”; they always seemed to be doing something “wrong”. They did not wish to satisfy present stakeholder needs because they considered such needs short-term oriented. On the other hand, those needs that they wanted to satisfy, future stakeholder needs, were not yet clear and did not always concretely exist. In effect, organizational representatives thus aimed at satisfying non-existent needs, which sounds paradoxical. The organization faced tough choices about which needs to satisfy and when. Regarding the gray economy, stakeholders had a concrete present preference for the institutionalized status quo to continue, while the situation in which the gray economy would be eradicated in the future did not yet exist and thus any needs regarding such a situation were perceived as rather abstract; no-one knew what the new status quo might eventually look like. Accountability was thus difficult to estimate in such a future (Peecher et al., 2013), as it was demanding to predict the future (Jordan & Messner, 2020; Tetlock & Kim, 1987). Accountability for something “non-existent” could be perceived as nebulous.

## 6. Conclusions

These conclusions look at the difficulties of knowing the future in this context and the associated implications. In particular, the impossibility of answering the question of which entity here was more or less sustainable and the associated problematics concerning dialogue are focused on here.

The study does not purport to provide an answer as to whether or not the organization’s pursuit of sustainability was optimal. Giving up the potential for cooperation with present stakeholders might provide fewer opportunities for effective cooperation in the future. In a cooperative situation it may not be beneficial to oppose those very actors with whom one is trying to cooperate, not appreciating one’s present stakeholders. Resolving sustainability issues may be more difficult if one insists on making distinctions between present and future stakeholders. As no-one knows which stakeholders will exist and be relevant in the future, it may be questionable to use the future as a pretense for neglecting present stakeholder needs. However, for example in the case of “the war against the gray economy”, the organization did not appear to be using the future as such a pretense: the concern of the organizational representatives for the development of industry practices in the future appeared sincere. It would have been much easier for the organization to simply continue to function according to existing industry practices. Instead, the organization chose to act as an institutional entrepreneur for the benefit of future stakeholders.

The issues here come down to whose future prediction is the most accurate (Jordan & Messner, 2020; Tetlock & Kim, 1987), assuming that all involved are in principle well-meaning. Can present stakeholders be expected to represent future stakeholders at the level of the industry in question? Or is the organization’s knowledge of such future stakeholders more accurate if the organizational representatives feel accountable for predicting the future? In this setting, organizational representatives had decided that the needs of present stakeholders represented short-termism and the organizational representatives thus went against these needs to focus on the long term. Such a decision is supported by the data: Organizational representatives generally exhibited a wider view on the industry

and talked about more general developments in the industry, while stakeholder representatives more often outlined their more specific and current concerns. In the case of “the war against the gray economy”, organizational representatives had predicted that the industry and the state would benefit from the abolition of the gray economy, while stakeholder representatives appeared not to emphasize any other competing predictions on the future of the industry in this matter. The consideration of future stakeholders appears to entail explicit analysis of their needs, and current stakeholders may not consider these needs, but focus instead on their own present needs (Freeman, 1984; Freeman et al., 2010; Unerman & Bennett, 2004).

There is also the risk that the future prediction by the case organization is less accurate than that of present stakeholders, but that the arrogance of the organizational representatives blinds them to this. It is thus risky to promote one (organizational) point of view above all other (present stakeholder) points of view. However, it is possible that the organization’s point of view represented the long-term more effectively than did the stakeholder points of view and such a risk may thus have been justified here. The research thus points out how the consideration of the views of present stakeholders may not always be the optimal path to achieving accountability for sustainability, adding to the literature (Cooper & Owen, 2007; O’Dwyer & Unerman, 2008; Unerman & Bennett, 2004) by noting that present stakeholders may not always be the primary source of the needs of future stakeholders. The expertise on the needs of future stakeholders may be found in unexpected places. Those who choose to be institutional entrepreneurs for the purpose of fulfilling the needs of future stakeholders may be on a promising path.

However, such actions may sometimes result in less dialogue, although dialogue has been powerfully promoted in the literature (Brown, 2009; Brown & Dillard, 2013; Brown et al., 2015; Cooper & Owen, 2007; Dillard & Brown, 2012; Dillard & Vinnari, 2019; Unerman & Bennett, 2004). The reduction of true dialogue can be due to “dialogue” taking place inside the organization when the organization itself represents future stakeholders. Outsiders can be excluded from this dialogue if organizational representatives feel such outsiders fail to consider future stakeholders’ needs.

The accountability literature (Cooper & Owen, 2007; Dillard & Vinnari, 2019; Grisard et al., 2020; O’Dwyer & Unerman, 2008; Shearer, 2002; Unerman & Bennett, 2004) has proposed listening to stakeholders. Paradoxically, in this case this call implodes: listening to future stakeholders may entail listening to organizational representatives. This paper thus suggests openness in choosing which entity to listen to and how. When stakeholders are considered to include groups that cannot express their views through clear and pre-existing channels, their views can be heard in unexpected places and can be conveyed by unexpected entities. Accountability from the point of view of present stakeholders only at a present point in time may appear restrictive (Chakhovich, 2019) and limit the consideration of difficult-to-hear future stakeholder groups.

The pursuit of consensus has been mentioned in the literature, but conflict has sometimes been recommended in place of such consensus (Milne et al., 2006). Here the organization studied did not seek consensus but rather conflict. Consensus was even seen in a negative light if it involved “undesirable” industry players, e.g., those engaged in the gray economy. There was a trade-off here: to seek consensus and good cooperation or to “do the right thing”, even if the consensus was then sacrificed. The organization had opted to decide for itself what to do, and cooperation and consensus would then perhaps follow – or perhaps not; that was not important for organizational representatives as long as sustainability was aimed at. The organization made it clear to its stakeholders that it was not seeking consensus with them; rather, it required those stakeholders to adjust so that consensus and cooperation could be reached in the future. Communication to present stakeholders along the lines of “we show you that you are wrong” is difficult to implement without sounding arrogant. Dialogue with stakeholders has been emphasized as important in reaching sustainability (Cooper & Owen, 2007; Dillard & Vinnari, 2019; Unerman & Bennett, 2004), however, dialogue may be demanding in such a situation.

An emphasis on increasing dialogue may exclude those inherently incapable of dialogue, such as future stakeholders. An effective dialogue takes place in the present and imagined or implied future stakeholders can thus scarcely participate. Dialogue and future can thus sometimes be set in profound opposition to each other. The nature of sustainability includes foci on both the future and dialogue, making it a contradictory construct. While dialogue has been promoted (Cooper & Owen, 2007; Deegan, 2017; Dillard & Vinnari, 2019; Unerman & Bennett, 2004), excessive emphasis on present dialogue could also suppress eventual sustainability. Present stakeholders can fill the space for dialogue, crowding out future stakeholders.

Democratic dialogue (Archel et al., 2011; Bebbington et al., 2007; Brown, 2009; Brown & Dillard, 2013; Brown et al., 2015; Dillard & Brown, 2012; Dillard & Vinnari, 2019; Rached, 2016; Unerman & Bennett, 2004) could also be demanding. On the one hand, aiming at sustainability involves the consideration of future stakeholders, which do not exist in today’s democratic system but are expected to exist in the future in even larger numbers than at present. On the other hand, democracy demands the equal participation of all concerned – in democratic processes, if looking at the numbers of those represented, future generations should thus have a larger say than people in the present. To add a further complication, future stakeholders are not expected to be monolithic but to hold diverse views. For democratic processes to work fully with sustainability, a maximum number of resources are thus required to be invested in ascertaining the needs of future stakeholders, paying minimal attention to quarreling among current stakeholders primarily as a means of ascertaining the needs of the future stakeholders. However, in practice, the current democratic system is built to encourage scrutinizing present arguments. These are sometimes, but not always, implied to represent future needs.

The study opens up several avenues of research. From the perspective of sustainability, it could be interesting to locate further ways to predict the interests of future stakeholders, and the power implications of who gets to prepare the forecasts. Futurology, along with its concerns for the future fate of society and science, could be invoked here together with the sustainability literature. It would also be productive to study further how varying time constructs can be used to serve actors’ purposes regarding sustainability and how organizations and societies could effectively combine dialogue and the interests of future stakeholders.

## Declaration of Competing Interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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## Appendix A

### List of interviewees and archival material

Interviews		
SustainOrg, Chief Operating Officer	23.9.2013	2 h 5 min
SustainOrg, Leading Expert on CSR	3.10.2013	1 h 25 min
SustainOrg, Communications Director	4.11.2013	1 h 40 min
SustainOrg, Strategy Director	13.11.2013	1 h 30 min
SustainOrg, CFO	18.11.2013	1 h 35 min
SustainOrg, Head of the Contoller Team	21.11.2013	1 h 25 min
SustainOrg, Human Resources and Development Director and Personnel and Development Manager	7.2.2014	1 h 10 min
SustainOrg, CEO	28.2.2014	1 h 25 min
SustainOrg, Legal Adviser	10.4.2014	1 h 30 min
SustainOrg, Investment Director	16.4.2014	1 h 40 min
SustainOrg, Legal Director	6.5.2014	1 h 30 min
SustainOrg, Regional Manager	17.6.2014	1 h 30 min
SustainOrg, Property Manager	23.6.2014	1 h 35 min
SustainOrg, Property Manager	18.8.2014	55 min
SustainOrg, Controller	5.9.2014	1 h 45 min
SustainOrg, Property Manager	15.9.2014	45 min
SustainOrg, Property Manager	19.9.2014	1 h 5 min
SustainOrg, Leading Expert in the Offices field	27.10.2014	1 h
SustainOrg, Expert on Building Technology	6.11.2014	1 h
SustainOrg, Leading Expert on CSR (stand-in for the Expert)	6.11.2014	1 h 10 min
SustainOrg, Account Manager	7.11.2014	45 min
SustainOrg, Director of Internal Control	4.2.2015	1 h 30 min
SustainOrg, Development Manager, Northern Finland	10.2.2015	1 h 35 min
SustainOrg, CFO	20.5.2015	45 min
SustainOrg, Marketing director	22.6.2015	1 h 25 min
SustainOrg, Head of the receivables/payables team	25.9.2015	55 min
SustainOrg, Building Manager	6.10.2015	1 h
SustainOrg, Property Manager	10.12.2015	1 h
SustainOrg, Former Regional Manager	21.10.2013	1 h 20 min
SustainOrg, Former CEO	5.3.2014	1 h 35 min
SustainOrg, Former Leading Expert on CSR	9.4.2014	1 h 35 min
SustainOrg, Former Planning Director	16.5.2014	1 h 50 min
SustainOrg, Former CFO	4.6.2014	1 h 50 min
SustainOrg, Former Lease Manager	5.6.2014	1 h 15 min
SustainOrg, Former Work Environment Specialist	26.6.2014	1 h 20 min

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<b>Interviews</b>		
SustainOrg, Former CSR and Quality Manager	6.10.2014	1 h 10 min
SustainOrg, Former Building Director	26.1.2015	1 h 30 min
SustainOrg, Former Property Manager	3.3.2015	55 min
SustainOrg, Former Building Director and Leading Expert	8.6.2015	1 h 25 min
SustainOrg, Member of the Board, CEO of a service provider	27.3.2014	1 h 35 min
SustainOrg, Former Head of Board, CEO of a service provider	9.6.2015	1 h 10 min
SustainOrg, Former Member of the Board, Ministry of Finance	22.6.2015	1 h 20 min
Ministry of Finance, Budget Counsellor	25.2.2014	1 h 25 min
Ministry of Finance, Consulting Officer	7.3.2014	55 min
Ministry of Finance, Director of Administrative Governance and Development	24.6.2014	1 h 10 min
Competitor A, Vice President, Asset Management, former employee	13.2.2014	1 h 35 min
Competitor B, Regional Manager, former employee	14.2.2014	1 h 10 min
Service and materials provider A, SustainOrg Customership Director	28.2.2014	55 min
Service and materials provider B, Project Planning Manager	6.3.2014	1 h 25 min
Service and materials provider C, Senior Project Manager	4.6.2014	1 h 5 min
Service and materials provider D, Consultant	22.5.2015	1 h 35 min
Customer A, Director of Department	5.3.2014	1 h 30 min
Customer B, Facility Services Manager, former employee	8.4.2014	1 h 25 min
Customer C, Materials Director, former employee	11.4.2014	1 h 25 min
Customer D, Real Estate Manager	14.5.2014	1 h
Customer E, Real Estate Manager, former employee	12.6.2014	1 h 40 min
Customer F, Manager, former employee	3.11.2014	1 h
Environmental Organization (NGO) representative, Manager	6.3.2014	1 h 10 min
Consultant in the CSR project	26.9.2014	1 h 30 min
Head Architect, Building Inspection Agency	3.3.2015	55 min
Architect, City Museum, Cultural Environment Unit	30.3.2015	1 h 10 min
Head of education, Education center for the construction industry	3.6.2015	1 h 10 min

Here “former employee” denotes a former employee of SustainOrg. There was a change of CFOs during the research period and we interviewed both of these individuals, not the same CFO twice. Moreover, there were changes in the position of the Leading Expert on CSR: we interviewed both Leading Experts who were working in the organization during the period of the study.

#### Other material

SustainOrg sustainability reports 2002-2013  
 Other material from SustainOrg websites  
 History of state building works 1811-2011  
 History of SustainOrg 1811-2011  
 Advertisement for SustainOrg’s “creative premises”  
 Stakeholder magazines of SustainOrg  
 Document on the targets for SustainOrg for 2014, proposal to the state  
 Measurement scorecards of selected employees at SustainOrg  
 Sustainability reports by SustainOrg stakeholders  
 “Responsibility in the real estate business”, published by KTI Kiinteistötieto Oy, 2013  
 “Measures and key ratios for real estate ecological and energy efficiency”, published by KTI Kiinteistötieto Oy, 2011  
 Three National Audit Office publications regarding SustainOrg  
 The Government Premises Strategy and the State Real Estate Strategy by the Ministry of Finance  
 The website of PuRE-net (The Public Real Estate Network)  
 Press coverage of SustainOrg

## Appendix B

### Interview outlines

#### Interviews within the organization:

- the meanings of complex terms such as “short term”, “long term”, “the present”, “the future”, and “stakeholders” for the employee
- meaning and importance of “sustainability” for the employee
- the relation of “sustainability” to other complementary terms such as “CSR”
- meaning of “accountability”
- the history of the implementation of CSR and experiences with it
- current CSR practices
- plans for the development of CSR practices
- the history of the implementation of CSR reporting and experiences with it
- current CSR reporting practices
- plans for the development of CSR reporting
- the implementation of sustainability accounting, if any, within the organization (its history, current practices and plans for it)
- stakeholder relations
- performance measurement and compensation in relation to sustainability

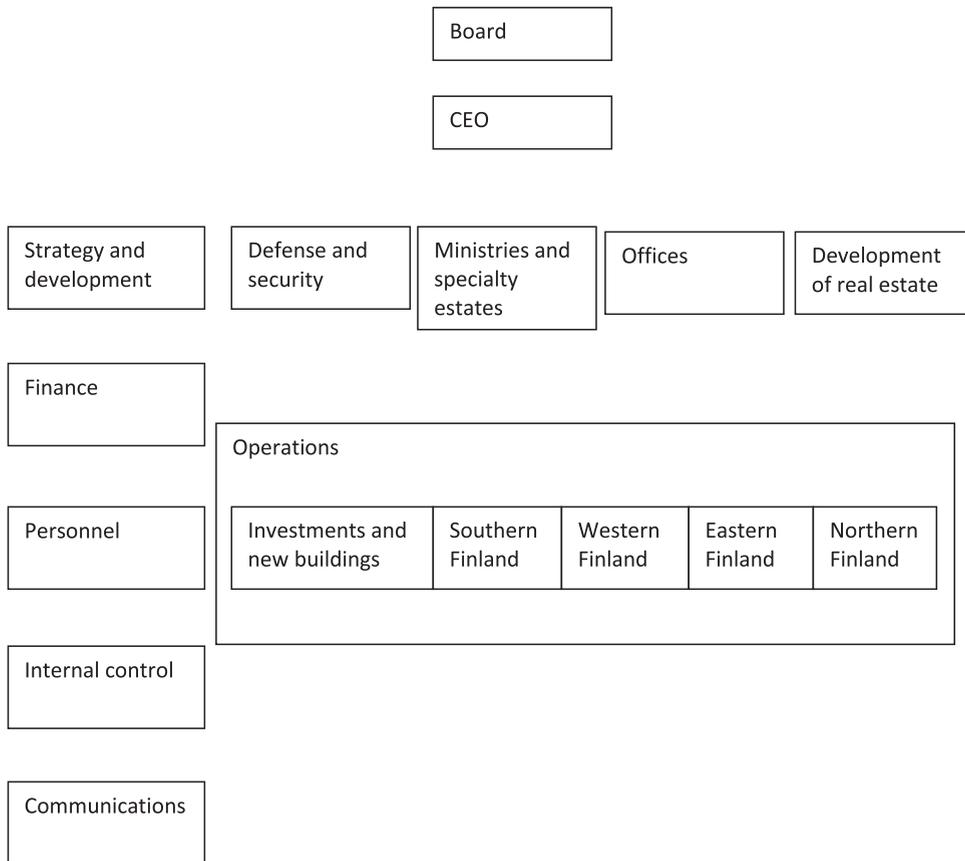
#### Interviews with stakeholders:

- the meanings of complex terms such as “sustainability”, “CSR”, “short term”, “long term”, “the present”, “the future”, and “accountability” for the respondent and the relations between these terms
- organization’s relations with stakeholders
- organizational practices regarding “sustainability”, “CSR”, “short term”, and “long term”

## Appendix C

### Organizational structure

## Organizational structure

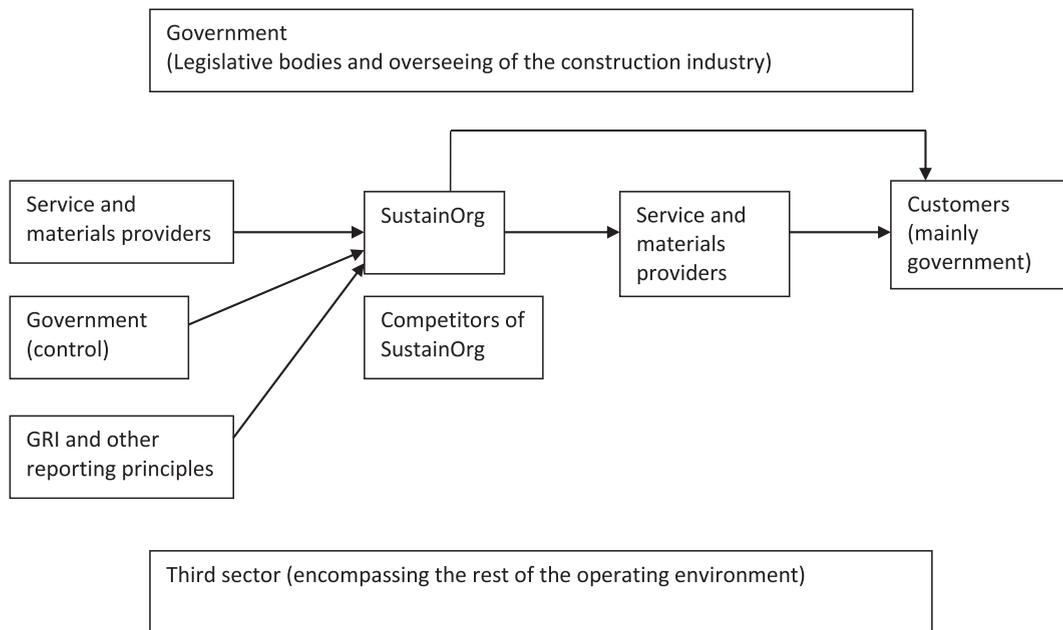


“Specialty estates” refers to real estate with special development and maintenance needs, such as museums, hospitals, research facilities, the National Opera, and listed buildings. The “development of real estate” refers to making alterations to existing buildings in order to sell them or rent them to outsiders.

### Appendix D

The organization’s position in its field of operations

## The organization's position in its field of operations



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