

# EXPLORING STRATEGIC COGNITION AROUND SUSTAINABILITY TENSIONS IN CORPORATE REPORTS: TOWARDS A TYPOLOGY OF STRATEGIC ‘SUSTAINABILITY’ FRAMES

(Proposal-Based Working Manuscript)

Extant research has demonstrated that sustainability tensions are inherent to the practice of corporate sustainability. Companies encounter these tensions in different sustainability areas, and in different forms (either as trade-offs or synergies). These tension points present the company with strategic choices. The extant literature on sustainability tensions has begun to analyze these strategic choices at a managerial level through the study of sustainability-related cognitive frames. We extend this nascent line of inquiry to the organizational level, and posit that companies interpret and respond to these tensions in ways that reflect an underlying *collective* cognitive frame. We term this construct the strategic ‘sustainability’ frame. This frame, we argue, is a particular form of strategic frame, which is specific to sustainability.

Building on the literature on strategic cognition at the organizational level (Fiss & Zajac, 2006; Narayanan, Zane, & Kemmerer, 2011), we argue that strategic sustainability frames are emergent, socially-constructed, collective, cognitive schemas. These schemas serve as “guides to interpretation, which are constructed through interaction” (Kaplan, 2008: 730). They determine how companies perceive tensions, how they respond to these tensions (the interpretive component of the frame), and how they frame their experiences with these tensions in their sustainability reports (the discursive component). Therefore, the focus of this work is the exploration of these frames.

The purpose of this research is to identify these sustainability frames on the basis of how companies interpret and convey their experiences with sustainability tensions in their sustainability reports, and how these frames change over time. To achieve this, this study relies on a qualitative and inductive research design. This design is divided into two stages. In the first stage, we aim to build a typology of different sustainability frames ‘embedded’ in the reports. In the second stage, we perform a longitudinal case study of a sub-set of these company reports, in order to explore how these frames are socially-constructed over time.

For the first stage of this study, we chose a sample of 100 business leaders based on a ranking of the largest companies in Canada by revenue, as published by a leading Canadian newspaper in 2013. From this sample, we collected the companies’ sustainability reports. These reports were accessed from the company websites and will be analyzed using a coding sheet, and subsequent rounds of abstraction. Tensions that may have been encountered during the practice of sustainability may either be described explicitly (‘manifest’) or implicitly (‘latent’) in these accounts. The corporate reports collected will be analyzed by frame analysis to look for references to tensions related to sustainability, including both trade-offs and synergies. The aim of the analysis is to explore: which types of tensions are encountered by the sample firms (RQ1), what action is taken to manage or resolve this tension (RQ2), and how these discussions are framed (i.e. the ‘rhetoric’ presented) (RQ3). By answering these questions, it would be possible to decipher two separate, yet interrelated knowledge constructs present in the reports: the cognitive schemas that guide companies in interpreting and responding to tensions (the *interpretive* component of the sustainability frame), and the rhetorical strategies used to describe of these tension points to stakeholders reading the reports (the *discursive* component).

By analyzing how companies interpret and frame their experience with sustainability tensions in this way, it would be possible to identify different sustainability frames that underscore company decision-making around sustainability. These frames will then be assembled into a typology. To achieve this objective, we will use the method of frame analysis, the technique of thematic content analysis, and following a grounded theory methodology (following: Sonenshein 2014; Isabella 1990). Thematic content analysis has been chosen for use in this study because of its ability to extract and then systematically analyze the companies' experiences with tensions, as relayed in the reports. This technique used here will code for explicit (or manifest) as well as implicit (latent) references to trade-offs and synergies. The analysis of this content will be thematic in nature; it will be based on the presence of and relationships between key codes. To perform this content analysis, a coding sheet will be designed for the analysis of the reports. This sheet will be developed in an iterative fashion as part of a pilot-test, as follows: firstly, a small number of corporate reports will be analyzed line-by-line to look for emergent themes relating to tensions, using an exploratory open-coding approach. The chosen unit of analysis will be full sentences. A number of preliminary ('in-vivo') codes will emerge from this analysis, and will form the basis of a preliminary coding sheet. This preliminary coding process will also be based on the findings of the literature review. These in-vivo codes (and the coding sheet that they make up) serve two functions in the subsequent analysis stages. Firstly, the sheet will be used to flag references to tensions in the reports. In this way, the relevant report text for analysis (containing implicit, and otherwise inaccessible, references to tensions) can be identified. The coding sheet also serves another purpose: the codes that make up the sheet comprise a tension 'dictionary' that forms the basis of the subsequent coding and abstraction process.

The abstraction process will proceed iteratively in four stages, beginning with the tension-related in-vivo codes present in the reports, and ending with the sustainability frame types embedded in the reports. Once the sustainability frame types have been revealed through abstraction, the research will continue to the next stage: the longitudinal study. Here, a sub-set of ten case-study companies will be chosen from among the initial company sample. The companies' most current sustainability reports will then be collected from company websites. These reports will be analyzed using the method described above, to identify the 'new' sustainability frame (RQ4). These will then be compared to the previously identified frames to identify the extent to which these companies' frames have changed over the course of the publication of the two reports (RQ5), based on the changes in the way the companies have interpreted and conveyed their experiences with tensions in sustainability. We will then attempt to identify why these frame changes (if any) have taken place (RQ6).

This study makes a number of significant contributions to the literature on sustainability tensions, and on strategic cognition with regards to sustainability. Firstly, it underscores the notion that sustainability tensions are strategic decisions with tangible performance consequences. Secondly, this work will posit, and then explore, a new organizational-level knowledge construct: the strategic 'sustainability' frame. In doing so, this work will reveal the link between a company's tension choices and the rhetorical framing of its sustainability report content. This study will then provide a typology of these frames. Finally, this study will explore how this frame is co-created over time, through negotiations with internal and external company stakeholders.

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