

In Search of the Dominant Rationale in Sustainability Management: Legitimacy- or Profit-Seeking?

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Abstract The academic debate why and how companies are dealing with sustainability is dominated by two main arguments—the profit-seeking and the legitimacy-seeking view. While the first argues that companies (only) establish sustainability management measures if this helps to increase their economic success, others emphasize that companies predominantly react on societal pressure dealing with sustainability (only) to secure legitimacy. Whereas both lines of argument have gained a lot of attention in academia, little is known about their relative importance in shaping corporate practice. This paper aims to fill this gap with an empirical analysis of corporate practices of large companies in ten countries worldwide. To capture the organizations' rationale in sustainability management practice, we systematically applied various measures related to actors and operational activities focusing on the companies' intention to pursue sustainability management, the integration of sustainability management to the core business, and the actual implementation of related measures. Overall the findings indicate that seeking legitimacy dominates corporate sustainability management practices.

Keywords Sustainability management · Legitimacy · Profit-seeking · Corporate sustainability · Sustainability management practices

Introduction

The paradigm of sustainability has been established as a common goal for political, societal, and economic development. Sustainable development describes a “development which meets the needs of current generations without compromising the ability of future generations to meet their own needs” (WCED 1987). Despite the growing attention the sustainability paradigm gains, many problems related to sustainability, including global warming (IPCC 2008), overfishing of seas, accelerated loss of biodiversity (IUCN 2008; WWF 2010), demographic change (OECD 2012), and large inequalities in income and health (e.g., Marmot 2005; UNDP 2010) are rather deteriorating than improving. Many of these problems are direct results of industrial and commercial activities (e.g., Heede 2014). Managers are thus challenged to deal with sustainability while at the same time being responsible for the wellbeing of their organisation. In principle, corporate sustainability management aims at reducing negative social and environmental impacts and contributing to sustainable development. Corporate sustainability activities are, however, planned and implemented in the organizational context of the corporation. In practice, corporate sustainability management is therefore embedded in the context of economic competitiveness and the societal business environment (e.g., van Marrewijk 2003). This raises the question as to what organizational rationale shapes sustainability management practice.

The academic debate about reasons why companies are dealing with sustainability and what influences the design of their sustainability activities is dominated by two main arguments. The first view (e.g., Revell et al. 2010; Gao and Bansal 2013), frequently labeled as ‘profit-seeking’ assumes that companies establish sustainability management (only) if

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this helps to increase their economic success.¹ In contrast, the legitimacy-seeking view (e.g., Cho 2009; Milanés-Montero and Pérez-Calderón 2011) expects companies to react on societal pressure dealing with sustainability (only) to secure legitimacy. Both views have gained a lot of attention in academia. Little is, however, known about their relative importance in corporate practice, i.e., whether a profit-seeking or a legitimacy-seeking logic dominates corporate sustainability management practice or whether companies are guided by both rationales. This paper aims to fill this gap with an empirical analysis of corporate practices of 432 large companies surveyed in ten countries worldwide.

The paper is divided into six sections. The next section reviews the literature supporting a profit-seeking view and a legitimacy-seeking view, respectively, and describes the theoretical concepts connected to these views. The third section explains the survey methodology and the dataset. In the fourth section, we analyse the results with regard to the profit- and legitimacy-seeking orientations. Section five discusses the results against the background of earlier research and the final section draws conclusions for research and corporate practice.

Literature Review: Corporate Sustainability and Competing Rationales for Managing It

Numerous surveys among corporate practitioners reveal that sustainability issues are of increasing importance for companies all over the world (e.g., Lacy et al. 2010; Kiron et al. 2013; Schaltegger et al. 2014). The questions how sustainability is and can be addressed in corporate practice have also stimulated the academic debate on corporate sustainability as a management approach (e.g., van Marrewijk 2003; van Marrewijk and Werre 2003; Searcy 2012) and a variety of sustainability management topics, such as corporate greenhouse gas emissions (e.g., Jeswani et al. 2008; Nishitani and Kokubu 2012; Hörisch 2013), sustainability performance measurement and management (e.g., Searcy 2012), sustainability reporting (e.g., Hooghiemstra 2000; Kolk 2003; Pellegrino and Lodhia 2012; Hahn and Kühnen 2013) or the business case for sustainability (e.g., Salzmänn et al. 2005; Carroll and Shabana 2010; Schaltegger et al. 2012).

In spite of the increasing number of publications and individual activities in corporate practice, sustainability management is, however, still a relatively recent research field. One fundamental question which splits researchers in different groups is why companies are dealing with

sustainability and what kind of sustainability activities are most likely to be realized in companies (e.g., Ditlev-Simonsen and Midttun 2011).

No doubt, from an ethical perspective, various global or local sustainability problems such as global warming, desertification, loss of biodiversity, slums or large inequalities in income and health are or could be material and sufficient reasons for companies to deal with sustainability management and to implement sustainability measures and projects (e.g., Norberg-Hodge 2006; Yang and Wu 2010). Many problems of unsustainability are a more or less direct result of business activities. Nevertheless, the management of a single company may feel to not be responsible or able to provide solutions to the large global problems as its share and possible contribution to solutions in the context of all businesses, industries, and countries worldwide may be negligible (cf. Delmas and Keller 2005; Bréchet et al. 2014). Others expect that reducing sustainability problems is rather the responsibility of governments, NGOs or customers (c.f. Leck and Simon 2013). In spite of such reasons based on freerider-thinking and excuses to not engage in sustainability management, companies in fact do, however, deal with sustainability in practice. This raises the question as to what drives management to implement concrete sustainability management activities in corporate practice.

Two main lines of argument—the profit-seeking (e.g., Bansal and Roth 2000; Revell et al. 2010; Gao and Bansal 2013) and the legitimacy-seeking view (e.g., Bansal and Roth 2000; Cho 2009; Milanés-Montero and Pérez-Calderón 2011)—have been proposed to explain why and how management deals with sustainability issues. Many of the academic publications on sustainability management are connected to one of the two following broad lines of argumentation.

Increasing Profit with Sustainability

The first line of argumentation, profit-oriented sustainability management, assumes that companies address sustainability issues (only) if this positively affects their financial performance (e.g., profits, shareholder value) and that companies take the respective measures in a systematic manner. Managers operate in a business setting and are responsible for the economic success of their company, and thus may feel obliged to shape sustainability oriented activities in the most profit-oriented way possible. According to this rationale, companies will design their sustainability activities in a way that this will or is likely to increase profits, or more generally to create financial advantages.

The profit-seeking view is rooted in theories and approaches such as rational choice (e.g., Blume and Easley

¹ For reasons of clarity and uniformity, this view will in the following be labeled “profit-seeking”, even though it includes other motives connected to increasing economic success which may go beyond profit-seeking in a narrower sense.

2008; Sen 2008) and the homo economicus (e.g., Vriend 1996). Among the most prominent representatives of this view is Milton Friedman (1962) who considers profit-seeking as the sole purpose of companies. Friedman (1962, p. 133) explicitly addresses the social responsibilities of businesses, by stating that “there is one and only one social responsibility of business—to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud”. Later, however, Friedman specified that a corporation may engage in actions such as reducing pollution or reducing poverty if this is “entirely justified in its own self-interest” (Friedman 1970, p. 62).

Even if the radical view expressed by Friedman (1962, 1970) is not fully supported, profit-seeking is a popular reference in the CSR and corporate sustainability literature and has spurred a large body of literature dealing with the link between (voluntary) environmental and social activities and their effects on financial or economic performance (e.g., Ameer and Othman 2012). Whereas some of this research focuses on statistical links or meta studies (e.g., Stanwick and Stanwick 1998; King and Lenox 2001; Margolis and Walsh 2001; Wagner 2010) others take a more instrumental or normative view supporting the search for win–win or triple-win solutions (e.g., Alexander 2007; von Weizsäcker et al. 2009) and the search for compatibility between social and environmental activities with competitiveness (e.g., Porter and van der Linde 1995; Porter and Kramer 2011), financial performance (e.g., Busch and Hoffmann 2011; Wang et al. 2014) or company value (e.g., Nishitani and Kokubu 2012). Applied to sustainability topics, various management theories take profit maximization as given, such as contractual and agency theory, since they focus on questions how to increase profits and reduce costs through a company’s sustainability engagement (cf. Machlup 1967; Boatright 1996).

The profit-oriented view is furthermore reflected in another prominent research debate in sustainability management dealing with business cases of or for sustainability (e.g., Salzmann et al. 2005; Steger et al. 2007; Revell et al. 2010; Schaltegger et al. 2012). Most of these publications do not only address the financial opportunities linked to sustainability, but at least implicitly assume that companies engage for sustainability exactly because of the economic opportunities. Steger et al. (2007, p. 162) for instance emphasize that in corporate practice, the “economic bottom line still dominates corporate decision making”. Similarly, Revell et al. (2010, p. 281) find that achieving “cost savings from energy or other resource efficiency” is the most important driver, motivating small- and medium-sized enterprises in the UK to deal with sustainability issues. Gao and Bansal (2013, p. 244) stress that

“managers tend to frame social and environmental issues as a matter of cost or benefit, which requires instrumental calculations”. Alexander (2007, p. 155) argues in a similar vein: “Normative arguments for implementing morally preferable practices within the existing system fail because they are insufficient to counter-act the systemic conditions affecting decision making that is focused on maximizing profit as the primary operational value”.

If the theoretical explanations above are correct, and corporate sustainability engagement is indeed driven by ‘profit-seeking’, we can expect corporations to implement sustainability management solely in a way that increases their economic success. Consequently, sustainability management activities that do not relate to creating financial advantages cannot be explained by theories related to the profit-seeking view, such as rational choice.

Seeking Legitimacy with Sustainability

In contrast to the profit-oriented approach to sustainability management, the legitimacy-oriented perspective builds on new institutional theory (e.g., DiMaggio and Powell 1983; Scott 1995) calling the neoclassical profit-seeking view into question. New institutional theory builds on earlier institutional theories and institutional economics (e.g., Commons 1934, 1936). In this body of literature, assumptions of rational choice theory and the homo economicus model are challenged by highlighting the importance of institutions and societal structures for explaining actions and characteristics of organisations. Institutions represent a “web of values, norms, rules, beliefs, and taken-for-granted assumptions” (Barley and Tolbert 1997, p. 93). Instead of focusing on the utility maximization calculus of single actors, new institutional theory analyses the interplay between organizations such as companies and the broader societal or organizational field in which they operate as the unit of analysis (Dowling and Pfeffer 1975; DiMaggio and Powell 1983). It distinguishes different kinds of institutions which all create implicit or explicit constraints to an individual’s or organisation’s actions (e.g., Scott 1995, 2005; Bruton et al. 2010). Formal institutions refer to constraints created for example with explicit regulations (Bruton et al. 2010; Arshed et al. 2014; Stephan et al. 2015). Informal institutions, on the other hand, are socially constructed and culturally transmitted. The constraints connected to informal institutions are therefore more implicit and evolve slowly over time (Arshed et al. 2014; Stephan et al. 2015). Scott (1995, 2005) differentiates two types of informal institutions: Cognitive institutions which refer to cultural values resulting in shared understandings within a society, and normative institutions which include societal expectations, obligations, and norms (Bruton et al. 2010; Stephan and Uhlaner 2010).

In the broad set of new institutional theories, legitimacy theory has attracted particularly much attention in sustainability management research (e.g., Hooghiemstra 2000; Deegan 2002; Campbell 2003; Cho and Patten 2007; Pinkse and Kolk 2007; Cho 2009; Lee 2011; Eugénio et al. 2013). Legitimacy theory deals with the importance of organizational legitimacy for an organisation's survival and addresses the question of how to reach congruence between corporate and societal goals (Dowling and Pfeffer 1975). Institutional theory thus emphasizes organizational legitimacy over efficiency—if not legitimacy at the expense of efficiency (DiMaggio and Powell 1983; Barley and Tolbert 1997). In this view, even performance measurement and management tools such as the Balanced Scorecard are used to seek legitimacy through meeting societal expectations (Brignall 2002; Lämsiluoto and Järvenpää 2010) rather than for profit maximization. Continuing this line of thought, Brignall employs a political economics view as a conflict-based perspective, taking “into account the deep conflicts among different interests in society” (Brignall 2002, p. 87), to study social issues in accounting systems.

Many publications applying legitimacy theory or related new institutional theories to the context of sustainability management focus on sustainability reporting and disclosure (e.g., Cho and Patten 2007; O'Dwyer et al. 2011; Pellegrino and Lodhia 2012; Eugénio et al. 2013) and on securing the ‘license to operate’ as the most important driver of corporate sustainability (White 2004). Instead of directly aiming at increasing profits, sustainability management can be designed according to the legitimacy-seeking view to secure the existence of the company and to continue with doing business. Typically, these studies consider sustainability reporting and environmental or social disclosure a reaction to regulation or other kinds of stakeholder pressure (e.g., KPMG 2014) or as a means of stabilizing and increasing legitimacy in order to prevent the risk of a reputational crisis or to secure brand value (e.g., Deegan 2002; Branco et al. 2008; Balmer et al. 2011). While most legitimacy-oriented publications on sustainability management are case studies (see e.g., Cho 2009; Eugénio et al. 2013), the explanatory power of legitimacy theory is also supported with some quantitative analyses in sustainability management which, however, are focused for example on one or few standards or environmental management systems such as ISO 14001 (see e.g., Bansal and Bogner 2002; Zhu et al. 2013), one country and business functions (e.g., Windolph et al. 2014), intra- and intersectoral effects (e.g., Campbell 2003), or environmental disclosure (e.g., Milanés-Montero and Pérez-Calderón 2011).

To sum up, according to legitimacy theory and further new institutional theoretical approaches, we can expect legitimacy-seeking to be the dominant rationale in

sustainability management. In this case, companies will prioritize their sustainability management activities to aspects which increase and secure legitimacy, whereas profit-orientation will be emphasized much less.

Relevance and Implications of the Profit and Legitimacy Views

Juxtaposing the profit- and legitimacy-seeking lines of argumentation for corporate sustainability engagement highlights an important contrast. The profit-oriented view assumes that the quest for increasing profits is the most important driver of corporate sustainability whereas the legitimacy-oriented view considers securing corporate legitimacy through sustainability measures to be dominant. As striving for contributions to sustainable development is embedded in an organizational context, the profit and legitimacy perspectives may shape the concrete design and implementation of sustainability management practices even when reducing negative social and environmental impacts is a key driver. It is thus of analytical and implementation relevance for research and corporate practice, to understand whether the profit- or the legitimacy-seeking rationale is dominant or whether a mix of both rationales can be found, which is mainly characterised by interactions between the two rationales. Additionally, the underlying rationale of sustainability management does not only reflect the main motivation to pursue sustainability management, but will most likely also influence who in the company deals with sustainability, what approach (e.g., influenced by accounting and financial control or shaped by communication and reporting), and which sustainability management tools are applied. However, the empirical literature evaluating the relevance of both views is so far restricted to the motivational aspect. Bansal and Roth (2000) conducted qualitative interviews to investigate the motivation of companies to go green. While they define competitiveness as long-term profitability they find that “firms were motivated largely by concerns for legitimacy, less by competitiveness” (Bansal and Roth 2000, p. 733). Bronn and Vidaver-Cohen (2009) used an exploratory survey among Norwegian companies to analyse the dominant intentions for social initiatives. Analysing perceptions of managers why they support social initiatives with their companies, they found legitimacy factors to be more important than financial outcomes. Similarly, Ditlev-Simonsen and Midttun (2011) investigated motivations for Corporate Responsibility. Based on a survey among corporate leaders, business students and employees of NGOs from Norway, they found rather legitimacy-oriented factors (i.e., branding and reputation-building) to be the primary drivers of Corporate Responsibility. Most recently, Windolph et al. (2014) compared the relevance of the profit-

and the legitimacy-oriented view as motivations for corporate sustainability in large German companies, focusing on the role of company internal units. They observe legitimacy to be the dominant motivation for corporate sustainability. Kim and Kim (2010) conducted a survey among Korean public relations managers, to depict their general understanding of CSR. In line with the analyses purely focusing on motivations, Kim and Kim (2010) find that the majority of the respondents reject the profit-oriented view of CSR as it was formulated by Friedman.

While these different national studies suggest that legitimacy-seeking is the dominant motivation to pursue sustainability management (or related concepts), a comparative investigation of corporate sustainability management *practices* which analyses the relative importance of the two perspectives is still lacking, particularly on an international level.

Furthermore, the existing studies are restricted to corporate intentions and motivations or in the case of Kim and Kim (2010) to the general understanding of the CSR concept of a specific group of (PR) managers. This, however, does not allow concluding that the same patterns can be observed for the integration of sustainability management activities in the organisation and its actual implementation. It also remains unclear whether mixed legitimacy- and profitability-related patterns of sustainability management practices exist. Thus, it has not yet been examined what rationale the actual operational practices of corporate sustainability management reflects. If sustainability management is shaped by profit-orientation, a company will search for sustainability approaches which increase revenues and reduce costs, and thus apply sustainability management tools such as socio-economic efficiency analysis, social cost accounting, environmental cost accounting, environmental shareholder value, or environmental investment appraisal (Figge 2005; Wagner 2006). Furthermore, accounting, management control, and the finance department can be expected to deal with sustainability. If, however, legitimacy-seeking best describes the underlying logic of sustainability management practices, a company will rather put the public relations and communications department in charge and consider different management activities as relevant, such as external communication of environmental and social activities, and apply approaches such as sustainability and environmental reporting, stakeholder dialog or social and cultural sponsoring (Castelló and Lozano 2011; Hogan and Lodhia 2011; Michelon 2011; Sridhar 2012).

Additionally, if profit-orientation is the dominant driver for sustainability management, companies could be expected to frequently and thoroughly measure the impact of their sustainability management projects and to use activities for costs and revenues. In turn, if the legitimacy perspective dominates, companies will more likely

measure the influence of their sustainability management on corporate reputation.

A possible outcome of an empirical study could also be a more or less even mix of both rationales. If an even mix of legitimacy and profit-seeking exists in corporate practice, then we could expect a balanced application of legitimacy and profit-oriented sustainability management tools and a balanced involvement of the respective departments. Such a mix of profit- and legitimacy-oriented practices could reflect the attempt to combine both approaches or represent parallel and largely separated activities. The literature on reputation as a driver for business cases for sustainability (e.g., van Marrewijk 2003; Schaltegger and Wagner 2006) addresses the option that an interconnected combination of sustainability management rationales could exist. Van Marrewijk (2003) for example argues that companies can engage for corporate sustainability in order to improve corporate reputation as a means of increasing profits. It is thus of crucial importance to not only measure the effects of sustainability management on reputation but also its indirect effects on economic measures such as costs or sales (cf. Russo and Fouts 1997; Windolph et al. 2014) to be able to govern and manage the links between sustainability, legitimacy, and profits.

The literature review reveals a research gap to systematically examine which underlying rationale, either profit- or legitimacy-seeking, or a combination of both, dominates current sustainability management *practices*. To answer this question, it may be insufficient to solely examine corporate sustainability intentions as they may reflect linguistic and strategic responses rather than real actions (cf. Rodrigue et al. 2013). We therefore not only analyse corporate intentions behind sustainability management, but also the managerial implications of these intentions by focusing on the integration of sustainability management in the organisation and its actual implementation. In so doing, this paper addresses the following research question:

Which rationale—profit-seeking or legitimacy-seeking—dominates with regard to the intention, integration and implementation of sustainability management in current corporate practice?

Methodology

To address the identified research question on an international level, an online survey among large companies in different economically developed countries was conducted within the scope of the corporate sustainability barometer project (Schaltegger et al. 2014). For this paper, ten countries were selected (Australia, Belgium, France, Germany, Hungary, Japan, South Korea, Spain, Switzerland,

and the United States of America) from the triad of the three globally most important economically developed regions (East Asia, Europe and North America). In each country, the survey was organized by a domestic research institution and the questionnaire was provided in the domestic language(s) of the respective country. Back translations were used to guarantee accurate translations and comparability of the results. The survey addressed the countries' largest companies (by revenue) and was directed to each company's sustainability manager. Sustainability managers are concerned with all issues related to sustainability in their company, like energy use, corporate greenhouse gas emissions, and occupational health and safety or diversity issues. While sustainability management is required to deal with these issues, different sustainability managers will deal with these issues in different ways, depending on the broader corporate strategy, which might either regard sustainability as a means to increase profit or to increase legitimacy or as a mix of both. As sustainability managers are not only aware of this corporate strategy but are also concerned with the daily sustainability management activities, they can be expected to have a good overview of the company's actual sustainability management practices.

Overall, 1857 questionnaires were sent out between February and August 2012 which resulted in 432 valid responses. The response rate of 23.3 % is within the standard deviation range identified by Baruch and Holtom (2008) for surveys on organisations published in internationally recognized research journals. Additionally, the response rate fulfills the criteria developed by Bartlett et al. (2001) for conducting meaningful statistical analyses. An overview of the international dataset is provided in Table 1. As the share of companies from Germany is relatively high within the sample, all analyses were also conducted using the same sample but excluding the German companies. This serves to make sure that the patterns observed are not due to particularities from one country (Table 2).

To capture the organization's rationale in sustainability management practice, we systematically applied various measures related to actors and operational activities focusing on the companies' intention to pursue sustainability management, the integration of sustainability management into the core business and the actual implementation of related measures.

First, with regard to the *intentions* of sustainability management, we analysed which *external stakeholders* are seen to be most important and influential for sustainability management in corporate practice, as numerous publications have confirmed the importance of stakeholders in driving corporate sustainability (Sharma and Henriques 2005; Darnall et al. 2010; Sarkis et al. 2010; Ditlev-

Table 1 Composition of the dataset

Country	Valid responses	Response rate (%)
Australia	48	26.2
Belgium	22	15.9
Germany	152	39.7
France	20	21.5
Japan	48	16.0
Switzerland	25	12.2
Spain	23	26.1
South Korea	32	15.5
Hungary	28	32.9
United States	34	19.4
Total	432	23.3

Annual Revenue	Frequency	Percentage
More than €50 and up to €500 million	65	15.0
More than €500 million and up to €1500 million	73	16.9
More than €1500 million and up to €2500 million	51	11.8
More than €2500 million and up to €5000 million	64	14.8
More than €5000 million and up to €50,000 million	133	30.8
More than €50,000 million	46	10.6
Total	432	100.0

Industry affiliation	Frequency	Percentage
Industry, capital goods, building	101	23.4
Consumer goods, trade, logistics	93	21.5
Finance & services	137	31.7
Commodities, auxiliary material, energy, chemical & pharmaceutical industry	101	23.4
Total	432	100.0

Simonsen and Midttun 2011; Lee 2011). For this purpose, the influence of different stakeholders was assessed by the survey participants on a five point rating scale ranging from 'inhibiting' to 'promoting' and was used as a proxy for legitimacy- or profit-orientation. From a profit-oriented view, the influence of stakeholders such as banks, investors, or rating agencies will be considered most important as these stakeholders can offer financial benefits and strongly influence the economics of sustainability projects and activities (Woods 2005; Consolandi et al. 2009; Windolph et al. 2014; Cordeiro and Tewari 2015). Following the legitimacy-oriented perspective, sustainability management can be seen as a reaction to pressures from societal stakeholders such as non-governmental organisations (NGOs), the community or the media (Black and Härtel 2004; Reimann et al. 2012; van Zyl 2013). Customers are an important stakeholder group, who we, however, have

Table 2 Proxies used to operationalise legitimacy- and profit-orientation in sustainability management

	Legitimacy-oriented	Profit-oriented
Intention		
Importance of external stakeholders	Community	Banks
	Media/public	Investors/owners/shareholders
	Non-governmental organisations	Rating agencies
Implementation		
Application of sustainability management tools	Corporate Citizenship	Eco-efficiency analysis
	Eco-sponsoring	Eco-efficiency indicators
	Environmental report	Ecological investment accounting
	Social/cultural sponsoring	Environmental cost accounting
	Social report	Environmental shareholder value
	Stakeholder dialog/forum	Material flow cost accounting
	Sustainability sponsoring	Socio-eco-efficiency analysis
		Socio-efficiency indicators
		Social cost accounting
Integration		
Implementation of key sustainability management measures	Improving reputation	Cost reduction
	Increasing employee motivation	Increasing revenue
Engagement of organisational units	Legal department	Finance
	Public/relations/corporate communication	Financial and management accounting
Measurement of the effect of sustainability management activities	Employee motivation	Costs
	Reputation/image/brand value	Revenue/sales/profits

not considered in the analysis as this group could be seen as a societal actor often reacting to media reports, etc. but at the same time is in a market-relationship with the company. To keep the analysis as clear as possible, this paper considers three groups which can be clearly allocated to one perspective.

Second, we analyse the *integration* of sustainability in the organisation. Irrespective of external pressures, a company can decide *who in the organization* is dealing with sustainability to ensure that either the sustainability strategy, or more generally, the intended direction in sustainability management implementation is effectively pursued. The paper therefore uses the degree to which specific *organisational units* are engaged in sustainability management activities as proxies for the dominant logic in sustainability management with regard to the integration of sustainability in the organisation. The involvement of all organisational units is considered to be an essential condition for integrating sustainability into the company's day to day operations (Shrivastava and Hart 1995; Gattiker and Carter 2010; Schaltegger et al. 2014). If profit-seeking dominates, finance, accounting, and management control are important internal actors assessing and deciding on sustainability projects and measures (cf. Burritt et al. 2002; Henri and Journeault 2010). In case the legitimacy-oriented view dominates, however, the legal and public relations

departments are likely to be important internal forces promoting corporate sustainability (cf. Clark 2000; Black and Härtel 2004). To address this aspect in the survey, the respondents were asked to rate the engagement of different organisational units with sustainability measures on a five point rating scale (ranging from 'not engaged' to 'comprehensively and rigorously engaged'). Whereas legitimacy-oriented sustainability management is reflected in a stronger engagement of the legal department and of public relations, a stronger engagement of the finance department and of financial and management accounting signals a dominance of profit-orientation. If an even mix of both rationales exists, it can be expected that none of the rationales is found to be dominant.

Furthermore, the *integration* of sustainability is reflected in the key sustainability management measures a company takes to improve certain aspects of its performance. To survey corporate utilization of profit- and legitimacy-related measures on an operational level, the questionnaire included exemplary measures (e.g., external communication of environmental and social activities to increase reputation; promoting employee motivation; environmentally and socially oriented cost management to reduce costs, developing new customer segments to increase revenues). The survey participants were asked to state the extent to which these key measures are addressed with

sustainability activities in their company on a five point rating scale (ranging from ‘never’ to ‘always’).

Third, corporate sustainability is not just expressed in the intention and the integration, but also in actual *implementation* (cf. Bowen 2002). According to Hahn and Scheermesser (2006), the implementation of sustainability management is reflected in the application of sustainability management tools, which can be defined as management instruments and systems specifically designed to support companies to implement corporate sustainability. Therefore, *which sustainability management tools are actually applied* can be regarded as a concrete mirror of the sustainability strategy and rationale realized in corporate practice. We therefore analysed the actual application of specific management tools as proxies for the emphasis given to either profit- or legitimacy-seeking, or a mix of both, with regard to the implementation of sustainability management.

In the literature, multiple sustainability management tools are described (BMU 2002; European Commission 2004). While some tools are rather legitimacy-oriented (e.g., sustainability sponsoring; corporate citizenship; eco-sponsoring; corporate giving, social/cultural sponsoring; social report; stakeholder dialog/forum; environmental report) (cf. Castelló and Lozano 2011; Hogan and Lodhia 2011; Michelin 2011; Sridhar 2012) others are linked to the profit-oriented perspective (e.g., socio-eco-efficiency analysis; socio-efficiency indicators; environmental shareholder value; social cost accounting; material flow cost accounting; eco-efficiency indicators; eco-efficiency analysis; environmental cost accounting) (cf. Figge 2005; Wagner 2006). In the case of an even mix of both rationales, it can be expected that companies use tools of both categories without one rationale being dominant. To survey the knowledge and application of these tools, the respondents were asked which of these tools are known and which are applied in their company.

Besides the application of tools, another important aspect of the implementation of sustainability management is the *measurement of success* (Collison et al. 2003). Depending on the underlying rationale of sustainability management, success is defined differently and different effects are controlled and checked for. We therefore examined what effects of sustainability activities and projects the companies measure. For this purpose, the survey asked which effects of the company’s sustainability management *are measured*. For profit-seeking, it can be expected that a company measures the influence of sustainability activities on revenues and costs or cost reduction (e.g., Epstein and Roy 2003; Epstein 2008). If legitimacy is sought for with sustainability practices, then the focus of measurement is rather on the change of reputation and employee motivation. If both rationales are considered

important then measurement of both, financial and profitability effects as well as measurement of effects on reputation and employee motivation are needed.

Related to different possible aspects of measurement, companies can also make use of corresponding key management measures to specifically improve certain aspects of their performance. To survey corporate utilization of profit and legitimacy-related measures on a concrete operational level, the questionnaire included exemplary measures (e.g., external communication of environmental and social activities to increase reputation; promoting employee motivation; environmentally and socially oriented cost management to reduce costs, developing new customer segments to increase revenues). The survey participants were asked to state the extent to which these key measures are addressed in their company on a five point rating scale (ranging from ‘never’ to ‘always’).

Results

The following section statistically analyses the intention, integration and implementation of sustainability management with regard to legitimacy or profit-orientation. The statistical analyses were performed using IBM SPSS Statistics 21.

With regard to corporate *intentions* of sustainability management, the influence of external stakeholders perceived by the company representatives was analysed. Figure 1 displays the results which show that among the external stakeholders, the rather legitimacy-oriented stakeholders (i.e., community; media/public; NGOs) are perceived as more promoting than the profit-oriented external stakeholders (banks; rating agencies; investors/owners).

To test whether these observed differences are significant, the average score for each category (i.e., legitimacy vs. profit-oriented stakeholders) was calculated for each company and t-tests were conducted based on these scores (Table 3). Beforehand, a Levine’s test was used to assess the equality of variances. In case, the Levine’s test showed significant results ($p < 0.05$) equal variances were not assumed for the t tests. The results of the t tests confirm the findings of the descriptive analysis, as legitimacy-oriented stakeholders are found to promote sustainability significantly more than their profit-oriented counterparts.

The same procedure was used to analyse the fundamental orientation of sustainability management practices with regard to the *integration* of sustainability in the organization. First, the companies’ use of different key measures to integrate sustainability into the organisation was compared (Fig. 2). The descriptive results demonstrate that legitimacy-oriented key measures (i.e., increasing

Fig. 1 Influence of external stakeholders (legitimacy-oriented stakeholders are shaded in gray; profit-oriented stakeholders are striped)

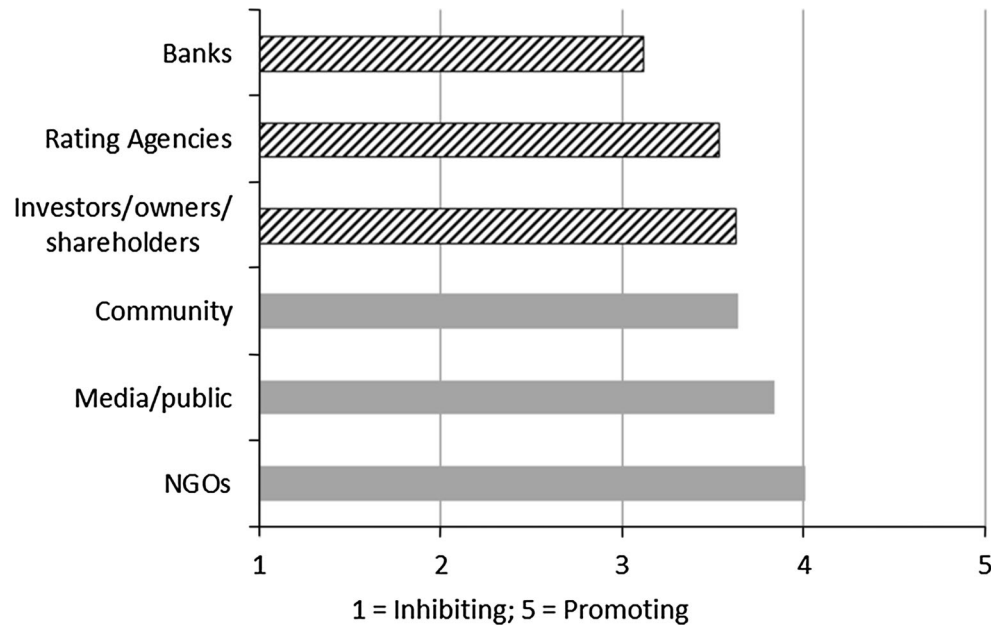
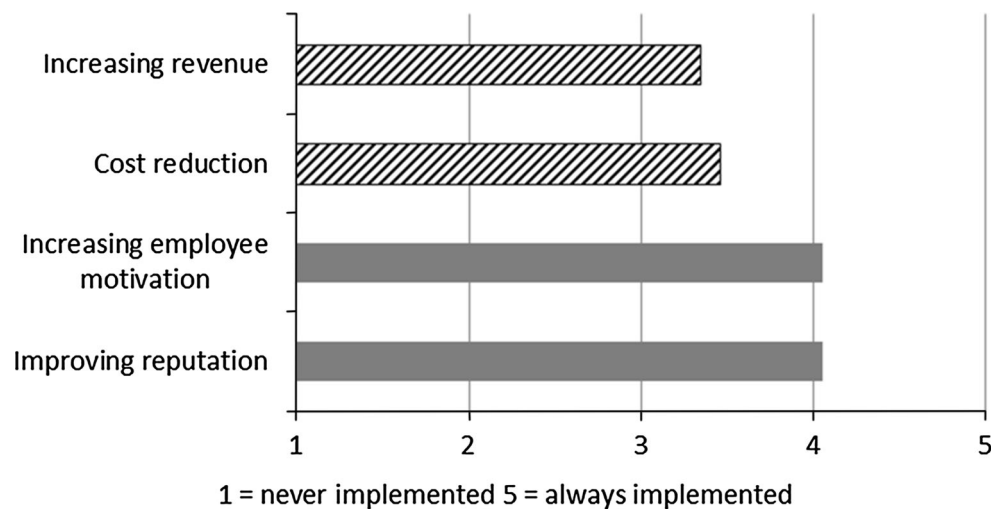


Table 3 T-tests on the intention of sustainability management

	Orientation	N	Mean	t	Sign.	Mean difference
External stakeholders	Legitimacy-oriented	387	3.836	8.089	0.000	0.425
	Profit-oriented	363	3.411			

Fig. 2 The implementation of key sustainability management measures (legitimacy-oriented measures are shaded in gray, profit-oriented measures are striped)

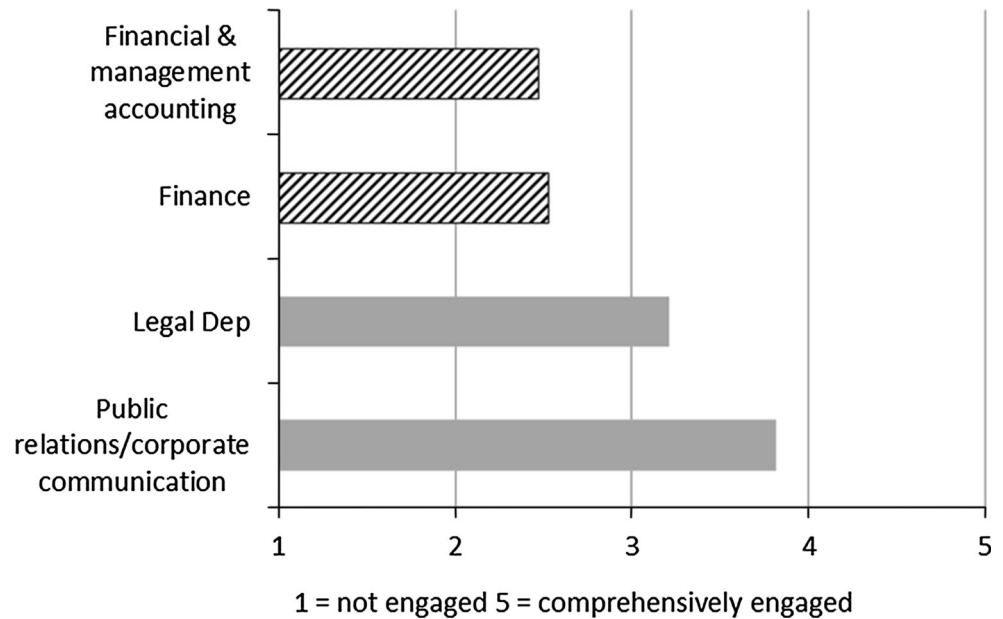


reputation and employee motivation) are more frequently used than profit-oriented measures (i.e., increasing revenues and reducing costs).

Second, the engagement of different organizational units was compared (Fig. 3). This serves to assess which rationale the organizational integration of sustainability in a company reflects. The legal department and public relations/corporate communication engage with sustainability measures to a considerably higher degree than profit-oriented organizational units (i.e., financial and management

accounting; finance). This indicates a dominance of legitimacy orientation, too. The weak link between sustainability and accounting and finance may exist for multiple reasons. A first possible reason is that the implementation of sustainability activities may not be profit-oriented or accountants and finance representatives may not be interested in these issues. Alternatively, the sustainability department may be interested in a weak engagement of these departments, too. To have only weak links with the accounting and finance department may be beneficial for

Fig. 3 The engagement of organisational units (legitimacy-oriented organisational units are shaded in gray; profit-oriented units are striped)



sustainability managers seeking to not look bad as they could evade the use of accurate measures which unveil little success with regard to the economic contribution of sustainability activities. No matter what explanation represents the situation, the low engagement of accounting and finance can be seen as an indication of legitimacy orientation.

As a next step of analysis, the average scores for the use of legitimacy and profit-oriented key measures as well as of legitimacy and profit-oriented organizational units were calculated. After testing equal variances with a Levine's test, these data were used to conduct t-tests in order to verify whether the differences observed in the descriptive analyses are significant. The t-tests are found to be significant for both aspects of the integration of sustainability management into the organization. This indicates that companies make use of legitimacy-oriented key measures significantly more often than of profit-oriented measures. The perceived difference does provide indication of a dominance of the legitimacy-oriented rationale while profit-orientation can be identified as an accompanying force. The analysis highlights the significantly higher engagement of legitimacy-oriented organizational units compared to the engagement of profit-oriented organizational units.

Finally, descriptive and inferential tests were applied to test possible differences with regard to legitimacy or profit-orientation concerning the *implementation* of sustainability management. Figure 4 shows that, by tendency, companies rather apply legitimacy-oriented sustainability management tools than profit-oriented methods. Nevertheless, some of the least popular legitimacy-oriented tools can be found to be less commonly applied than the most frequently used profit-oriented tools.

In the case of a dominant profit-orientation, we could expect a more frequent application of tools like socio-economic efficiency analysis, ecological investment accounting, environmental cost accounting, etc. Apart from internal decision support reasons social and environmental information relating to economic performance can, however, also be collected for reporting reasons. In this context, companies may be reluctant to apply cost- and profit-orientated sustainability management tools to avoid legal problems emerging from the collection of economic information outside the legally specified formats. The low application of profit-oriented tools may thus also be a result of legal incentive structures. In this case, legitimacy pressure emanating from legal incentives may be a reason for the legitimacy orientation of tool application.

Figure 5 visualizes the empirical results for the measurement of the effects of sustainability management. In contrast to the other analysed aspects of sustainability management, no consistent pattern with regard to legitimacy or profit-orientation but rather a mixed picture can be observed. In general, the variation between the different measured aspects is found to be rather small, as each aspect is measured in 44–53 % of the companies investigated. While the least commonly measured aspect is profit-oriented (revenue/sales/profits), the same is true for the most commonly measured aspect (costs). Therefore, no consistent but rather a mixed pattern can be observed with regard to the measurement of the effect of sustainability activities on the company.

As the results on tool application show interesting differences with regard to legitimacy and profit-orientation, a t test was performed in order to verify whether the differences observed in the descriptive analysis are significant.

Fig. 4 The application of sustainability management tools (legitimacy-oriented tools are shaded gray; profit-oriented tools are striped)

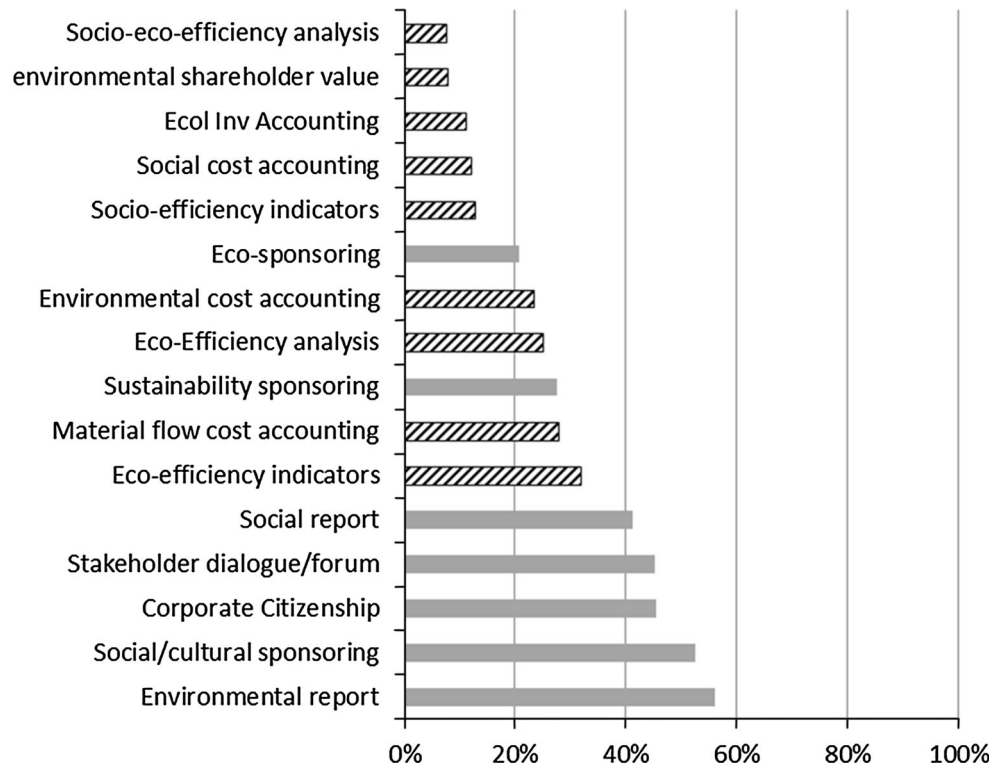
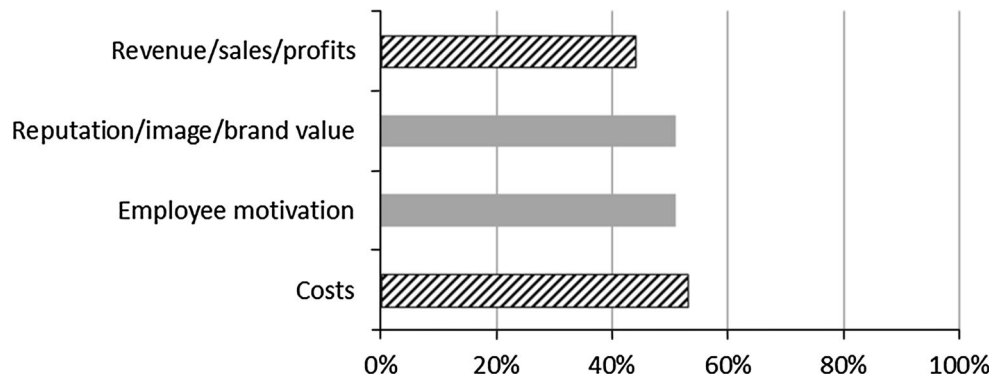


Fig. 5 Share of companies which measure the effect of their sustainability activities on the respective aspect (legitimacy-oriented aspects are shaded in gray; profit-oriented aspects are striped)



For each orientation (legitimacy vs. profit-orientation), the share of the respective tools a company uses was calculated. Based on a Levine's test, equality of variances was not assumed. The *t* test reveals that the differences with regard to tool application are indeed significant. On average only 17.5 % of the applied sustainability management tools are profit-oriented, whereas the average rate of application of legitimacy-oriented tools is more than twice as high (43.5 % application).

As mentioned in the methodology section, all steps of analysis were also conducted for a sample excluding the German companies to make sure that the patterns observed are not due to particularities from one country. For all steps of analysis, the same patterns could be observed using this alternative sample (see Tables 4, 5, 6).

Discussion

The results of our study show that both approaches, profit-orientation as well as legitimacy orientation, can be identified among large companies. However, with regard to the relative importance of these approaches, the results largely confirm the legitimacy-oriented view on corporate sustainability management practices which is informed by new institutional theory. Based on data from large companies in ten developed countries worldwide, we find that legitimacy orientation is not only dominant in the context of sustainability reporting and disclosure (which is frequently mentioned in the existing literature, e.g., Cho and Patten 2007; Eugénio et al. 2013) or motivations and intensions (e.g., Bansal and Roth 2000; Bronn and

Table 4 T-tests on the integration of sustainability management

	Orientation	N	Mean	t	Sign.	Mean difference
Key measures	Legitimacy-oriented	365	3.9452	8.232	0.000	0.545
	Profit-oriented	362	3.4006			
Organisational units	Legitimacy-oriented	355	3.5099	14.403	0.000	1.020
	Profit-oriented	344	2.4898			

Table 5 t test on tool application

	Orientation	N	Mean	t	Sign.	Mean difference
Tool application	Legitimacy-oriented	431	0.435	14.853	0.000	0.259
	Profit-oriented	431	0.175			

Table 6 t tests excluding and including the German subsample

Criterion	Orientation	<i>N</i>	Mean	<i>t</i>	Sign.	Mean difference
Sample excluding Germany						
External stakeholders	Legitimacy-oriented	256	3.840	6.967	0.000	0.474
	Profit-oriented	235	3.366			
Key measures	Legitimacy-oriented	219	3.950	6.219	0.000	0.570
	Profit-oriented	217	3.380			
Organisational units	Legitimacy-oriented	253	3.924	8.671	0.000	0.623
	Profit-oriented	257	3.302			
Tool application	Legitimacy-oriented	280	0.438	12.340	0.000	0.273
	Profit-oriented	280	0.166			
Sample including Germany						
External stakeholders	Legitimacy-oriented	387	3.836	8.089	0.000	0.425
	Profit-oriented	363	3.411			
Key measures	Legitimacy-oriented	365	3.9452	8.232	0.000	0.545
	Profit-oriented	362	3.4006			
Organisational units	Legitimacy-oriented	355	3.5099	14.403	0.000	1.020
	Profit-oriented	344	2.4898			
Tool application	Legitimacy-oriented	431	43.5 %	14.853	0.000	25.9 %
	Profit-oriented	431	17.5 %			

Vidaver-Cohen 2009; Ditlev-Simonsen and Midttun 2011; Windolph et al. 2014), but also dominates further aspects of sustainability management such as integration and implementation practices in sustainability management. Nevertheless, one exception can be found in our data, as neither the legitimacy nor the profit-oriented view is dominant with regard to the *measurement* of the effects of sustainability activities. One possible interpretation of this result—which reflects a mix of rationales rather than a dominance of one perspective—is that legitimacy could be seen as a means to improve profitability. The perspective that legitimacy acts as a vehicle to increase profits could explain that both profit- and legitimacy-related effects of sustainability management are measured. However, the empirical results show that neither the measurement of legitimacy- nor profit-oriented effects are widely established practices. Even the most commonly measured

effects of sustainability management (i.e., effects on costs) are only measured in half of the companies.

It is therefore worthwhile to consider the difficulties of measuring the influence of sustainability activities in more detail. The effects of legitimacy-oriented activities (such as increasing reputation or employee motivation) are far more difficult to quantify and track than the effects of profit-oriented activities (such as revenue increases or cost reductions). The fact that the legitimacy-oriented view does not dominate with regard to the measurement of sustainability management effects can thus be explained by difficulties in measuring legitimacy-oriented aspects. Nevertheless, the results on the measurement of sustainability management effects demonstrate that not all companies uniformly follow the legitimacy-seeking perspective. Some companies may rather be using legitimacy-seeking as a means to indirectly increase profits.

Hahn and Scheermesser (2006) observed a similar pattern, by conducting a survey on the reasons underlying corporate sustainability engagement among German companies. They observe large variances between the different companies investigated. Some of their results can be confirmed by our international analysis, since we also find indications for a distinct profit-oriented perspective in some few companies. In contrast to Hahn and Scheermesser's (2006) study, however, we clearly identify legitimacy orientation as the prevailing logic in sustainability management practices for the vast majority of the large companies in the ten countries analysed. The considerations derived from the profit-oriented view of sustainability management and the theoretical concepts it is based upon, i.e., rational choice and the homo economicus, cannot be identified as the main characteristic of the corporate practices in our international sample. The findings suggest that for sustainability management practices, motivations and targets of corporate decision makers go beyond the profit-seeking rationale and are dominated by legitimacy-seeking.

While overall our analysis finds the legitimacy-oriented view to be the main logic in sustainability management, it is worth interpreting the single aspects included in our analysis in more detail and to compare them with existing studies.

Such an analysis reveals that the difference between legitimacy- and profit-orientation seems to be largest with regard to the application of sustainability management tools. While companies on average apply 43.5 % of the legitimacy-oriented tools included in our analysis, this is only true for 17.5 % of the profit-oriented tools. Earlier publications (e.g., Schaltegger et al. 2012; Hörisch et al. 2014), suggest that this might be due to a lack of knowledge of profit-oriented sustainability management tools. Alternatively it could be assumed that the differences observed are due to the fact that some profit-oriented tools are not applicable for service companies (e.g., material flow cost accounting). Surprisingly however, these tools are among the most commonly applied profit-oriented tools, whereas more widely applicable profit-oriented tools which could also be implemented in service companies and different industries are the least applied. This indicates that the differences observed between profit- and legitimacy-oriented tools cannot fully be explained by specificities of particular industries. Nevertheless, future research should investigate, whether similar differences can also be observed if different industries are analysed separately and how other variables such as international norms influence the legitimacy- or profit-orientation of sustainability management. Another possible explanation for the relatively lower rate of application of profit-oriented sustainability management tools might be that some profit-oriented sustainability management tools are relatively complicated to

apply (such as socio-eco-efficiency analysis), while the implementation of some legitimacy-oriented tools is relatively easy (such as sponsoring activities). Thus, one way to strengthen profit-orientation in sustainability management could be the development of more easily applicable sustainability management tools which support establishing links to profitability.

With regard to the influence of external stakeholders, banks are found to be the least promoting. This is in line with an earlier survey Lacy et al. (2010, p. 34) conducted among CEOs, which identified the "lack of recognition from the financial markets" to be among the three most frequent barriers for implementing sustainability management activities. Lacy et al. (2010) provide further support for our findings, as their results show that rather legitimacy-oriented stakeholders (such as employees, communities, and media) are expected to be more influential for sustainability management in the next five years than profit-oriented stakeholders (i.e., the investment community). Interestingly, in the survey by Lacy et al. (2010), employees are considered to be among the most important stakeholder groups. This is in line with our analysis which highlights the importance of increasing employee motivation through sustainability management activities. The observed importance of increasing employee motivation shows that seeking legitimacy is not restricted to an external perspective, but also relevant for company internal actors.

Our analysis furthermore finds indication that the legitimacy-oriented view of sustainability management is not restricted to complying with regulations. The legal department is by far not the most strongly engaged legitimacy-oriented organisational unit, as for example public relations/corporate communication is more broadly and strongly involved in sustainability management.

The dominance of the legitimacy-oriented perspective and particularly the importance of public relations/corporate communication raise the question of whether the responding companies indulge in greenwashing. However, a closer analysis of the results provides indication that this is at least not dominant for the following reasons.

First, the above analysis showed that the legitimacy view has not only consequences for the external communication of sustainability activities and for building external reputation, but is equally important for increasing employee motivation, which is found to be an important element of sustainability management practices in our dataset. In contrast, greenwashing is defined as a publicly oriented activity (Du 2014). Therefore, it is improbable that companies which indulge in greenwashing put such strong emphasis on company internal measures such as employee motivation. Our survey data furthermore show that for most indicators on average a large share of the companies

is quite active in implementing different sustainability management practices, applying a multitude of tools, including internal organisational optimisation and employee motivation. In spite of the clear legitimacy emphasis, various less visible activities could be identified in addition such as cost reduction and increasing eco-efficiency. From a pure greenwashing perspective, such less or not visible practices would not be needed but rather distracting. Furthermore, while invisible sustainability practices could be interpreted as representing particularly efficient and effective management only few of the analysed companies measured the profitability effects of such practices.

Second, sustainable development specifically addresses and normatively requires the need to interact with societal groups (e.g., United Nations 1992). Corporate sustainability explicitly embeds a societal dimension in its vision which includes identifying, embracing and addressing the expectations of stakeholders (e.g., Székely and Knirsch 2005). It is thus a core element of corporate sustainability to communicate and interact with societal stakeholders.

Besides greenwashing, another possible interpretation of our analysis is that juxtaposing legitimacy and profit-orientation may be misleading as one may serve as a means for the other. Although we did not explicitly investigate indirect linkages, our analysis does not find support for the view that the goal of increasing legitimacy is to secure or increase profits. As described in the “[Literature Review: Corporate Sustainability and Competing Rationales for Managing It](#)” section, many authors highlight the potential to increase economic success by improving or securing public reputation (e.g., van Marrewijk 2003; Schaltegger and Wagner 2006). Although corporate reputation is by no means the only way by which sustainability practices can improve profitability but only one of many drivers of business cases for sustainability (e.g., Schaltegger et al. 2012) reputation can be related conceptually to the aim of increasing profitability. However, if increasing reputation was intentionally managed for profit-seeking purposes then this would require to not only measure the effects of sustainability management on corporate reputation but also its (indirect) effects on profit-related aspects, such as costs or sales. Nevertheless, most companies cannot be found to measure these aspects, even though especially the effects of sustainability management on costs (e.g., reduced energy or resource costs) can easily be traced. Thus, if legitimacy-oriented practices were either implicitly or explicitly (just) a means of profit-seeking, then the measurement of effects on costs and sales could be identified more frequently. For the ten analysed countries, profit maximization can thus not be identified as the overarching dominant goal of sustainability management in large companies.

Conclusion

Based on our analysis, we conclude that sustainability management practices of large companies are neither (strongly) profit-oriented nor a means of opportunistic economic thinking, but are primarily characterised by legitimacy-seeking. The results of our study have various implications.

First, from a research perspective, the analysis highlights, that the purely profit-focused view on corporate social responsibility as recommended by Friedman (1970) does not reflect the current corporate practice as we do not find indication that profit-seeking is the core rationale in sustainability management practices of large companies. Therefore, the frequently asked question ‘does it pay to be sustainable (or green)?’ is too narrowly formulated as sustainability management rather seems to be in line with a strive for legitimacy. The consequence of this may be that with corporate sustainability the surveyed companies are rather trying to create value for various stakeholders to improve their legitimacy as a basis for their business than to only seek for short-term profits without considering the needs and reactions of societal stakeholders.

Second, the results highlight that the measurement of the effects (on both legitimacy and profits) of corporate sustainability is not wide spread in corporate practice. Academia and practice are therefore both challenged to develop new measurement techniques which enhance the evaluation of the effects of corporate sustainability activities.

Third, as profit-oriented activities are not strongly represented in corporate sustainability practices, it can be expected that economic potentials have not been fully explored and realized so far. However, even if legitimacy is a core orientation for sustainability management practice, it seems sensible to do this in an economically profitable manner. Furthermore, some projects and activities may be more difficult to implement if accounting, management control and finance are not involved (e.g., financing of legitimacy increasing sustainability oriented investments or in fundamentally new more sustainable products). Managers and departments with a financial duty such as accounting could also support other departments such as corporate communications and public relations in measuring legitimacy changes. For companies, this poses the challenge to better motivate financially oriented managers and departments to support sustainability management. Additionally, the finding that (possibly a part of the) economic benefits of sustainability management are not realized by the majority of companies has implications for the companies’ stakeholders. Especially financially oriented stakeholders such as investors or banks are challenged to

put stronger emphasis on sustainability criteria, to set financial incentives for companies to intensify their sustainability management. Similarly, the survey by Lacy et al. (2010) revealed that 85 % of the surveyed CEOs think that shareholders and investors need to place greater value on corporate sustainability activities to reach higher levels of corporate sustainability.

Besides these implications, this study faces some limitations. First, the analysis revealed that for the companies investigated, media and NGOs are important legitimacy-oriented stakeholders and might even strengthen the legitimacy orientation of corporate sustainability practices. While our findings are restricted to large companies, a different picture might emerge, if only small- and medium-sized enterprises (SMEs) were under consideration, as SMEs usually face lower levels of attention from NGOs and the media (Brammer and Pavelin 2006; Darnall et al. 2010). This could imply that legitimacy orientation is driven by the company's visibility. Further research should thus examine the possible underlying factors driving legitimacy orientation, such as company-size or industry affiliation.

Furthermore, the aim of the analysis was to identify whether profit or legitimacy orientation dominates in corporate practices. We have, however, not explored reasons for legitimacy-seeking. For example, intrinsic motivation may be a reason to realize sustainability management projects and activities (e.g., Bansal and Roth 2000; Bronn and Vidaver-Cohen 2009), as every management activity is based on decisions of individuals and groups and thus intrinsic values and motivations cannot be excluded (see also Hockerts 2014). However, managers are challenged in an organisational context and from “outside” to “sell” their ideas internally and to external stakeholders. Therefore, even though motivations and intrinsic reasons have not been analysed in this study, we can expect that they are expressed in an organisational context and thus the question remains what organisational rationale—securing legitimacy or increasing profitability of the company—dominates and is referred to in corporate practice. The organisational context as well as the research approach using a questionnaire for the survey and asking sustainability managers may furthermore favor the legitimacy viewpoint of the respondents. The weak sustainability importance of profit-seeking could also be understood as a socially desirable response to avoid admitting that sustainability activities are primarily used for profit purposes.

Although further research is needed to investigate which combination of legitimacy orientation and effective contribution to sustainable development exists in practice, our analysis shows that for most indicators on average a large share of the companies is quite active in implementing different sustainability management practices, applying a

multitude of tools in a variety of different areas such as reporting or increasing eco-efficiency.

As a variety of activities may be subsumed in a department, department names may not reflect their core activities (anymore) due to historical or other reasons. The public relations unit for instance, might possibly implement profit-oriented approaches or accounting might be legitimacy-oriented in the sense of creating transparency and accountability to stakeholders. We considered such possibilities by using various indicators on intention, integration, and implementation. However, further research could more explicitly analyse what different organisational units and different functional managers do with what purposes in mind, to better understand the actual implementation patterns of sustainability management.

Furthermore, seeking legitimacy could be seen as a means to improve personal reputation of managers (or to satisfy personal sustainability goals) rather than serving to increase social acceptance or profitability of the company. Pinning the motivation for legitimacy orientation down to individual goals may be worth in-depth qualitative research.

Lastly, our methodology bases on the use of proxies for legitimacy- and profit-orientation in sustainability management. Thus, the validity of the findings is bound to the validity of these proxies. As a counterpart to this large-scale quantitative approach based on proxies, future research could investigate the legitimacy- and profit-orientation more directly using qualitative research methods such as in-depth interviews.

Further research is also needed to investigate in depth in how far legitimacy-seeking serves as a means to increase profits. Although our data does not find support for the view that the goal to increase legitimacy is purely driven by the aim to increase reputation as a means of increasing profits, future research could investigate in more depth whether managers have implicit assumptions or even personal intentions that high levels of legitimacy automatically lead to higher profits.

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