Research on Low-carbon Mode Construction from the Perspective of Organizational Legitimacy

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Abstract. A conception model of enterprise low-carbon management legitimacy is explored through the theoretical deduction and three conclusions are put forward by the verification of case analysis Danfoss, GE and Hitachi. It is proved that the formation of low carbon enterprise management mode is a process of internal integration and external adaptation; As for the construction of internal enterprise low-carbon management builds in an order of low-carbon consciousness rating system-service-oriented production low carbon management ritual; Low-carbon management ritual is a continued activation process, the formulation of which should experience a long term with the cognitive schemata, low-carbon action framework, low-carbon production process and low-carbon product design.

Introduction

“Greenwash” phenomenon appeared and paradox exists between the pursuits of benefit maximization and the social responsibility of environmental protection. The micro aspects have not yet been touched upon and the management perspectives have still been left alone, so the paper is concentrated on the exploration the process of low-carbon management and the mechanism of each variables.

Literature Review

Related Concepts of Organizational Legitimacy

Organizational Legitimacy. The explicit definition of organizational legitimacy was put forward in the Managing Legitimacy: strategic and institutional approaches by MC Suchman, which denoted that legitimacy is a generalized perception or assumption that the actions of an entity are desirable, proper or appropriate within some socially constructed system of norms, values, believes and definitions[1]. After 2000, the international scholars tended to explain the definition of organizational legitimacy from much more microcosmic entities instead of the macroscopical view. Zimmerman & Zeits first pointed out that legitimacy, the social judgments of acceptance, appropriateness, and desirability, enables organizations to access their resources to survive and grow[2]. Meanwhile, with the process of global warming, organizational actions of energy-saving and emission-reduction are gradually becoming the public concern. Accordingly, Bansal. P proposed that the legitimate organization is institutional organization established under specific natural environment, and the legitimacy can only be achieved by integration of the corporate sustainable development and institutionalization[3].

Organizational Field. Technically, organizational field is an institutional area that is generally recognized, including the suppliers, consumers, institution and trade association, which influences the organization on the rules, regulations and cognition[4]. Using organizational field as the unit of analysis can be propitious to observing the integrity of competitive enterprises, other organizations
and relevant actors, or that is to say the connectivity of actors in institutional environment[5]. The three basic elements of organizational field are institutional legitimacy, normative legitimacy and cognitive legitimacy. Institutional legitimacy derives from the rules and regulations carried out by government, professional agencies, trade associations and etc. If corporate behaviors are in full compliance with those rules and regulations, the corporate then possesses the institutional legitimacy in eyes of the people of interests. Normative legitimacy stems from social values and ethics, reflecting the public’s judgment on “doing the right thing”. This judgment depends on the acknowledgments of corporate behaviors whether it accords with the widely accepted social values and ethics, as well as whether it benefits increasing social welfare. The element—cognitive legitimacy emphasizes the traditions, beliefs, culture and recognition. Once the repetitive action mode turns habitual and externalized, it then acquires cognitive legitimacy[6].

**Legitimacy Carrier.** During the process of transforming external system internally and constructing the mode of organizational legitimacy, several organizational elements are necessary, which are called legitimacy carrier[7]. The internal integration of the organization can only be achieved by adhering to the circulated legitimacy carriers. An organization’s extent to internalize the system is determined by the combination of legitimacy carriers such as symbol system, relation system, man-made object and routine[7]. As a consequence, this paper deals with constructing low-carbon management mode from the perspective of legitimacy carriers.

**The Legitimacy of Corporate Low-carbon Management**

Scholars, by probing into the essence of low-carbon management, point that low-carbon management can be interpreted as a process in which the ideas of sustainable development, system regulations serve as a script and are decoded within the corporate. And during the process various structural and operational elements are combined creatively, to achieve legitimacy of existence under the assumption of social rules, regulations and cognition. Such a process of coding, conversion and decoding can only be circulated by concrete operations so as to form a mode of corporate low-carbon management.[8-10] Therefore, the essence of corporate low-carbon managing mode is the evolution of management paradigm, which is the reflection of the deep assumption of social rules, regulations and cognition, targeted at the reality of global warming and the mandatory provisions of energy-saving and emission-reduction. In a sense, the legitimacy of corporate low-carbon management is the vivid portray of sustainable development, reflecting the corporate ability to adapt to social scenarios.

**Theoretical Frameworks**

As a component of organizational field, the conception mode of corporate low-carbon management in the field is concerned about the three basic elements of organizational legitimacy, or to say, how the corporate achieves regulatory legitimacy, normative legitimacy and cognitive legitimacy through the dynamic interactions of relevant actors in the field. Based on the essence and characteristics of individual corporate low-carbon management concept, the theoretical deduction needs to be connected with corporate practice[11]. And this paper will discuss all the dimensions of low-carbon management within the enterprise.

**Low Carbon Consciousness**

On the construction of legitimacy of corporate low-carbon management, the corporate dedication to position itself as a public recognized low-carbon image is relevant to the organization’ low-carbon consciousness, acceptance of low-carbon concepts and the low-carbon mobility. According to the definition of the symbol system under the conceptual framework of organizational legitimacy, symbol system is mainly reflected by the dimension of low-carbon awareness; through learning and self motivation, the corporate gradually cultivates low-carbon consciousness, and uses low-carbon property as a corporate expectation of self-image[12]. While the cost-benefit expectation decides corporate investment towards low-carbon management, focusing on realizing
the potential total remuneration, and positioning itself on realization of the cost effectiveness from the ecological values. Therefore it is more helpful to achieve the legitimacy of low-carbon management in enterprises [9].

Rating System

Based on the definition of relation system under the conceptual framework of organizational legitimacy, corporate low-carbon management is essentially a process of textuality, using relation system as the carrier[13]. According to the coverage of major websites, journals and newspapers in recent years, public is often keen on the rating list of low carbon enterprises issued by authentic rating agencies. Hence, applying the similar rating system to corporate management can render corporate low-carbon management more reliable and decipherable, and consequently, the corporate can receive much greater social recognition. In this environment, the textualized process of corporate rating system is also a potential factor of formation of low-carbon management practices. If one enterprise’s low-carbon management and procedure have the feature of textuality, low-carbon management practices will appear in accordance.

Service-oriented Product

According to the definition of artifacts prescribed under the conceptual framework of organizational legitimacy, the corporate low-carbon managing mode’s internal dimensions, using artifacts as the carrier, are reflected in products’ low-carbon attributes and values. When natural resources can truly reflect the cost, the rise of the corresponding price is inevitable. Consequently, the rising price of natural resources makes immaterial designs a trend for enterprises[14]. In fact, what the customers want is not the product itself but the service provided by the product. And the product only functions as the carrier to deliver service. To reduce the use of materials and energy, companies can provide service instead of products, and minimize the cost to provide such service so as to achieve low-carbonization[15].

Low-carbon Management Ritual
With the formation and perfection of corporate low carbon management, the relationship between the internal low-carbon behavior and the institutional environment will also tend to be stable. At this time, the corporate will come to an agreement towards the values of low-carbon management, and will form a repetitive sequence [7]. Low-carbon management ritual means that the present management mode of organizational legitimacy has been the sequence of the standardized corporate low-carbon management and institutional environment. If some of the corporate behaviors deviate from this mode, then the corporate will be boycotted by social paradigm, that is, a series of punishments and sanctions. In general, the enterprises will enhance the values and management behaviors which benefit their success. Similarly, they will exclude and reject the values and behavior that cannot contribute to their success. The conceptual Model is built in Fig. 1.

The conceptual model constructed in this research has logical relationships: (1) the adaptation between enterprises and external institutional elements is coincided with the pattern of organizational legitimacy--regulatory legitimacy--normative legitimacy--cognitive legitimacy. (2) The integration of internal factors of enterprises is coincided with the pattern of rating system--service--oriented-product--low-carbon management ritual.

Summary

The formation of low-carbon management on the basis of organizational legitimacy is a process of external adaptation and internal integration. The legitimacy of corporate low-carbon management is built on the order of low-carbon consciousness, rating system, service-oriented-product and low-carbon management ritual. Low-carbon management mode is a prolonged and activated process of legitimacy of low-carbon management, and its final formation is a process combining low-carbon cognitive schema, low-carbon action framework, low-carbon production process and low-carbon product design.

References