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Institutionalizing an Environmental Agenda in Business

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Abstract

This paper studies the extent and manner in which an environmental agenda is being institutionalised in two companies in the UK water industry through discursive practices. The paper draws mostly on Fairclough's understanding of critical discourse analysis, taking into account the three dimensions of text, discourse practice, and socio-cultural practice. Analyzing managerial discourse - mostly in the form of interviews - over a period of five years, the paper looks at the discursive means by which a pro-environmental agenda is being established, legitimized and supported. The analysis also pays special attention to the degree of homogeneity or contestedness of environmental discourse within and between the two companies. It concludes that a pro-environmental agenda has been established to some extent in both companies, legitmized mostly through reference to competitive advantage and the law. However, there are differences in the way in which this agenda is legitimized and supported and in the degree to which the company's emvironmental strategy is contested internally. Some conclusions are drawn regarding the likely way in which companies will establish and support environmental concerns and the implications this may have for a wider environmental agenda and public policy.

Institutionalising an Environmental Agenda in Business

Introduction

This paper studies the extent and manner in which an environmental agenda is being institutionalised in business organisations through discursive practices. Critical discourse analysis has become one of the main streams of critical social research but has, so far, been given relatively little attention in the study of pro-environmental business management. Academic work on the topic of Business and the Environment has a long critical tradition, in so far as much seminal work in the field has been highly critical of standard business practices and highlighted their detrimental impact on the natural environment (e.g. Purser, 1994; Shrivastava, 1994; Gladwin, 1993). Much recent work in the field has, however, concentrated on actual pro-environmental management measures and practices, often from a managerialist perspective, i.e. with the aim of establishing good practice and aiding managers in the establishment of pro-environmental strategy and management. Welford (1998) suggested that more critical research was needed to uncover the underlying assumptions of these pro-environmental management practices – and much of the literature dealing with them – which, he argued, were generally based on the same modernist and capitalist ideology and advanced by the same hegemonic powers as the standard (non-environmental) business strategies and practices criticised by earlier publications in the field. Such work seems important in a number of respects. Business organisations in general are powerful institutions with a significant impact on social structures and process as well as on the natural environment (this does, of course, vary between individual organisations). Their environmental discursive and non-discursive practices therefore are significant both in terms of their direct impact on natural environmental processes and on the overall societal discourse regarding the relationship between human activities and the natural environment.

Considering the salience and importance of this relationship in current social and political debates, business understanding and practice with respect to environmental issues also has important repercussions for the overall democratic process.

This paper studies managerial discourse regarding the natural environment, environmental strategy and management, in two companies in the UK water and sewerage industry over a period of five years. The texts chosen are mostly in the form of interviews with the managers concerned, supplemented by some company documents. The aim is to investigate developing organisational discourses about environment and the integration of environmental concerns into company strategy and management and their underlying assumptions regarding the nature of business and its relationship with the natural environment.

Critical Discourse Analysis and Organisational Studies

Critical discourse analysis in organisational and management studies is part of the 'linguistic turn' in the social sciences in general. As intellectual security in what we know and what it means to know has decreased the question of how we build knowledge has become more important and with it questions of language and linguistic representation. Language has ceased to be a neutral medium for the transmission and reception of pre-existing knowledge and has become the key ingredient in the very constitution of knowledge (Jaworski and Coupland, 1999). According to Iedema and Wodak (1999: 7) the linguistic turn in organisational research "has had the benefit of shifting the focus […] from the dichotomy between individual psychologies, behaviours and motivations on the one hand, and macro-social structures on the other hand, towards a concern with discursive practices on whose basis the organisational is performed, and through which a variety of technological resources are mobilised".

Focusing research on discursive practices is useful and justified because linguistic exchange can be regarded as generally the most salient, if not the most important, aspect of interaction (Iedema and Wodak, 1999) and its centrality and salience is said to be increasing in late capitalism (Fairclough, 2002). Various types of discourse analysis have been developed in linguistics and the social sciences, including ethnomethodology, conversation analysis, and interactional sociolinguistics and have been applied to the study of organisational discourses (Iedema and Wodak, 1999) but the form that is most in line with a critical study of management and organisations and hence of interest here is critical discourse analysis (CDA).

Fairclough (1995) distinguishes critical discourse analysis from a dominant, non-critical, descriptive trend within discourse analysis as originally established in linguistics, which he criticises for a lack of concern with explanation, with how discursive practices are socially shaped, or their social effects. Proponents of critical discourse analysis claim "that naturalised implicit propositions of an ideological character are pervasive in discourse, contributing to the positioning of people as social subjects (Fairclough, 1995:23). Other authors have defined CDA in similar and/or complementary terms. According to Jaworski and Coupland (1999), CDA offers a means of exposing or deconstructing the social practices which constitute social structure - it is a sort of forensic activity, from a libertarian political perspective. Kress (1990) suggests that CDA has an overtly political agenda. According to Fowler (1981: 25) it is a "careful analytical interrogation of the ideological categories and the roles and institutions and so on, through which a society constitutes and maintains itself and the consciousness of its members ... All knowledge, all objects, are constructs: criticism analyses the processes of construction and, acknowledging the artificial quality of the

categories concerned, offers the possibility that we might profitably conceive the world in some alternative way". For Iedema and Wodak (1999: 9) "critical discourse analysis takes a critical theoretical perspective on discursive practice, inflected by Foucauldian re-descriptions of power and agency and Gramscian concerns with the hegemonic rise of specific discourses and practices".

From these descriptions and definitions a number of theoretical concepts central to critical discourse analysis emerge: ideology, power and hegemony, and knowledge. These concepts are closely interlinked.

Following Foucault, power cam be seen as a positive force, in the sense that knowledge is constructed through power relationships. Power and knowledge constitute and imply each other and there can be no knowledge outside power relations. There is therefore no absolute knowledge that one could use for purposes of emancipation. However, power always implies resistance and there are always alternative types of knowledge, either historically present but marginalized in the current episteme or alternative types of knowledge still to be developed (Barker, 1998; Rouse, 1994). Critical discourse analysis in a Foucauldian vein would see the role of the scholar as disinterring alternative discourses and opening up spaces that others can use strategically and tactically in resistance to the dominant paradigm (Barker, 1998).

While Foucault's work understands power as a ubiquitous property of the technologies which structure modern institutions and not possessed by or wielded by particular groups or individuals in society, others, such as Fairclough (1995), prefer to tie ideology to asymmetrical relations of power or domination and see the role of critical analysis in uncovering such power/domination in the way in which it shapes discourses ideologically. Such asymmetrical power relations are tied in with hegemony, which constitutes leadership

as well as domination across the economic, political, cultural and ideological domains of a society. Fairclough (1995: 76) describes hegemony as "the power of society as a whole of one of the fundamental economically defined classes in alliance (as a bloc) with other social forces, but [which] is never achieved more than partially and temporarily, as an 'unstable equilibrium'. Hegemony is about constructing alliances, and integrating rather than simply dominating subordinate classes, through concessions or through ideological means, to win their consent".

Quoting Gramsci, Fairclough (1995) describes ideology as a conception of the world, implicitly manifest in art, law, economic activity and the manifestations of individual and collective life. In this conception individuals are seen as structured by diverse ideologies, which become naturalised or automatized in 'common sense'. In relating ideology to discourse, Fairclough (ibid) argues (1) that ideologies are primarily located in the 'unsaid', i.e. in implicit propositions, (2) that norms of interaction involving aspects of the interpersonal (e.g. turn-taking systems) may be ideological and (3) that power should be theorised as in part 'ideological/discoursal', i.e. the power to shape orders of discourse, to order discursive practices in dominance.

Environmental Management and Discourse

Over the last two decades many companies have taken on board the need for some form of pro-environmental management. Particularly larger companies and those in industries considered to be highly polluting have been subject to much specific environmental legislation and regulation and other forms of stakeholder pressure. They have responded by developing environmental policies and strategies, conducting environmental audits, setting up environmental management systems and by engaging with stakeholders, for instance

through environmental reporting. At the same time, numerous academic and practice oriented publications on the topic of Business and the Environment have appeared.

At the same time an environmental discourse has become popular which tends to regard business firms less as callous producers of pollution with little regard for environmental and more as 'part of the solution'. Numerous management publications point to financial benefits that companies could gain from improved environmental performance - so called win-win scenarios - (e.g. Elkington, 1994). The tenor of many publications on Business and the Environment is that economic and environmental performance are compatible. This idea that economic gain need not be at the cost of environmental protection or vice versa is consistent with many readings of the concept of sustainable development. It is probably no coincidence that the Brundtland report (*Our Common Future*) was published at the time when this kind of thinking seems to have begun to take hold in the environmental movement and among the business community. This view essentially says that, given some basic legal frameworks and a public opinion which is interested in the environmental performance of business, it is in business organisations' enlightened commercial interest to have a good environmental performance. Good environmental performance, in this view, may save companies money through reducing material resource use, it reduces the danger of falling foul of environmental legislation and regulation and hence the risk of having to pay heavy fines, it may save insurance premiums, may give better access to financial resources and, not least, will improve the company's public image and hence customer and other stakeholder goodwill (Elkington, 1994, is a good example of this reasoning).

On the other hand, basic incompatibility of a truly sustainable treatment of the natural environmental and business, at least in its large scale, capitalist form, had been argued

already by Karl Marx, who suggested that the profit motive and the need for growth would drive businesses to seek profits wherever they could be found, at the expense, mostly, of exploited workers, but also of the natural environment. Similar considerations form the basis of Aldo Leopold's *land ethic*, Schumacher's (1973) assertion (or perhaps, rather, wish) that *Small is Beautiful*, or Herman Daly's (1977) searching for 'enoughness'. However, we may consider these as minority voices, voices that inspired a generation of environmentalists and later writers on Business and the Environment (e.g. Stead and Stead, 1996) and which challenged the dominant discourse of economic growth, but which themselves never became truly accepted or even dominant. Environmental concern has, indeed, become much more widespread and mainstream than in the 1970s but it has done so in the aforementioned form which sees environmental protection as essentially compatible with current economic activity and the lifestyle of affluent consumerism. There are also more recent critics of the logic that good financial and good environmental performance are compatible and the environmental management practice that has followed from it have been criticised. One of the most stringent, perhaps, is Welford (1998), who goes as far as to suggest that business is *hijacking environmentalism*, i.e. companies are benefiting from the improved public image that overt environmental management brings but they are improving their environmental performance only in the ways most compatible with economic growth. At best, Welford argues, this amounts to very shallow greening, in the form of 'eco-modernism', at worst to an outright subversion of the environmental agenda and the public environmental debate.

Methodology

General Methodological Considerations

As stated above, this paper explores the environmental discourse in two companies in the UK water & sewerage industry, as manifest in interviews with a number of managers in each

company as well as in company documents and similar. The aim is to uncover how these companies / managers have taken on board environmental concerns, how they legitimise and support an environmental strategy and to what extent and how a dominant environmental discourse develops in these companies.

According to Fairclough (1995), critical discourse analysis provides a framework for studying connections between language, power and ideology by integrating (a) the analysis of text, (b) the analysis of processes of text production, and (c) a socio-cultural analysis of the discursive events (e.g. interviews, etc.) studied. Fairclough is quite clear that CDA should comprise all these three levels and not limit itself to just the ideational content of the texts studied (as he suggests is commonly done by scholars in subjects other than linguistics) or the processes of text production (as he suggests is sometimes done by linguists). This means that textual analysis should be combined with analysis of the practices of production and consumption of these texts, as well as an ethnographic analysis of social structures and settings. However, to achieve all these objectives equally seems quite a difficult thing to do in practice, certainly within the confines of a single paper. In this paper, we will mostly concentrate on the analysis of text, and that mostly in terms of its ideational content. While this is certainly not the only aspect of discourse which is constituted by and can reveal ideology, it certainly seems an important aspect in this respect.

It is acknowledged that the processes of text production and consumption can reveal much about underlying assumptions, power relations and ideologies, for instance when looking at turn-taking, who says what in what situations and to whom, and who receives the text for what purposes and under what circumstances. However, in the present case, where the analysis is mostly of interviews with managers, conducted explicitly for the purpose of

research, an analysis of such discourse practice may be less revealing. Here, we have a slightly abnormal situation, where a manager is asked a series of questions by the researcher and invited to talk and explain at length about organisational policy and practice and, to some extent, his or her own role in and reaction to this. An analysis of the discursive practices involved might teach us much about the power relations and assumptions governing such research interviews but it probably tells us less about the normal discursive practices regarding the production and consumption of environmental discourse. In this respect, it would be far preferable to analyse discursive practice between organisational member, e.g. in meetings, memos, etc. or between organisational members and other social actors, but gaining access to such situations, while highly desirable, is difficult and was not possible in the present case.

An analysis of the socio-cultural context in which the discursive events studied are embedded is, however, both possible and evidently useful for the present purpose. Integrating this well with the textual analysis, in way that is properly supported by evidence, is somewhat more difficult. Here, we have chosen to provide relatively extensive background information on the social and economic context in which the companies operate, which will help explain and contextualise much of the analysis of the actual interviews.

This paper looks not so much at individual texts, as much other discourse analysis would seem to do, but at a set of texts (interviews and some other documents) produced in an organisation. This relates to the concept of 'order of discourse', adapted by Fairclough (1995: 12) from Foucault, to "refer to the ordered set of discursive practices associated with a particular social domain or institution […], and boundaries and relationships between them". This is not unproblematic from a methodological point of view as it reduces the detail of

analysis and confines it mostly to certain linguistic features which are relatively easily comparable across texts, such as the ideational content. However, there seems some merit in such an approach, in so far as a discourse community or an order of discourse is an interesting level of analysis, perhaps more interesting from the point of view of linking discourse to wider ideological and socio-cultural contexts. It also fits in well with notions of organisational culture. Essentially it constitutes an attempt to link micro and macro analysis, with an emphasis on the intermediate level of the firm, acknowledging all the flaws that this will almost by necessity entail.

Before delving further into methods of data collection and analysis, it is necessary to discuss two further epistemological and methodological questions: the status of the knowledge created through critical discourse analysis and the relationship between researcher and researched. As discussed above, critical discourse analysts generally see all knowledge as irretrievably interconnected with and constructed through ideology and power relations. This means a relativist stance towards knowledge. If this is the case, however, how can the scholar claim to be conducting a critique of a discourse by uncovering its ideological boundedness, without at the same time inviting similar criticism of her own work as equally bounded by and constructed through - a different - ideology? According to Barker (1998), the role of the scholar in the Foucauldian tradition would be to disinter alternative discourses and open up spaces that others can use strategically and tactically in resistance to the dominant paradigm, without having to claim a superior truth value of such alternative discourses. This would fit in well with a Gramscian understanding of hegemony, which, according to Fairclough (1995) focuses not on questions of the relative truth value of different ideologies but on their effects. Discourses would then be analysed with respect to the extent to which they sustain or undermine power relations. This does not, however, mean that critical discourse analysis

needs to give up any attempt to critique a discourse or discursive domain from a particular viewpoint. Fairclough (1995) defends a generally leftist or Marxist stance in critically analysing the discourse of late capitalist societies, focusing on the emancipation of those dominated in asymmetrical power relations and of their discourses, while Jaworski and Coupland (1999) detect an overtly libertarian political slant in critical discourse analysis and Cameron et al (1999) suggest that 'empowerment' is the morally and theoretically required relationship between critical discourse researcher and researched.

Accepting the notions of emancipation and empowerment as legitimate stances of critical discourse analysts does, however, not necessarily solve the dilemma in this particular case. One cannot properly speak of the empowerment or emancipation of the natural environment. We could speak of advocacy for the environment but this implies that the researcher knows what the proper stance of humans towards the environment should be. But who is to say that an eco-centric view - the most obvious alternative stance - is necessarily better (or worse) than an anthropo-centric or techno-centric view. At the same time, it seems difficult not to take some kind of normative stance on the issue. After all, people (the author included) are usually interested in environmental issues because they have certain normative views in this respect. Perhaps the only possible solution is for the author to state his/her personal stance on an issue, accepting that this cannot be defended from a point of view of representing some kind of objective truth, but realising that it invariably informs our critique of other discourses. This stance is that while humans are part of the environment and have a right to live in it, the natural environment should in the Kantian sense be regarded as an end and not just a means, i.e. it has intrinsic value beyond its instrumental use for human beings and human use of it should reflect this.

Data Collection and Analysis

Environmental discourse was studied in two companies in the UK water & sewerage industry. This is an industry where environmental issues are very visible and high on the regulatory agenda. Indeed, it can legitimately be said that the reason for this industry's existence is essentially an environmental one. Following this recognition the water industry was the first UK industry to establish a set of industry-wide environmental indicators. Some form of public commitment to environmental concerns is therefore likely to be present in all companies in this industry. The paper is based on the first two phases of a longitudinal study into environmental management in two companies. The first phase took place in 1996/97 and the second in 2001/02.

Date collection for this research was mainly through extended interviews with managers in different hierarchical and functional positions in the two companies. This was supplemented by company publications, such as annual environmental and social performance reports, environmental policies and similar. Unlike company internal discussions and conversations, interviews and publications are relatively accessible to the researcher and therefore a useful source of data. A possible drawback could be that company publications are obviously designed for an external audience and may therefore not truly represent the internal discourse. The same may be true to some extent for interviews given to an outside researcher but it is felt that, most interviewees will not talk to a researcher in a manner that is completely contrary to they way in which they discuss the same issues in company internal settings, particularly not over the length of an extended interview. However, the interviewer was aware that some interviewees may try to present the company in as positive a light as they can or may want to tone down any internal conflicts. Conversely, some interviewees may feel less constrained in talking to an external person and may therefore express critical

views more freely. On the other hand, it should not be assumed that internal discourses are free from biases of this kind as organisational members will, at least to some degree, adjust what they say depending on who is present and what the setting is. Therefore the use of interviews and, to a lesser extent, company publications seems justified for this type of research.

Data was collected mainly through in-depth interviews with managers at different hierarchical levels and in different functions in the companies. In Company A nine managers were interviewed in 1996/97 and seven managers were interviewed in 2001. Of these, three respondents were interviewed in both periods[1]. In Company B twelve managers were interviewed in 1996/97 and seven managers were interviewed in 2001/02. Again, three managers were interviewed in both periods[1]. Interviews lasted between 45 and 90 minutes and were, as far as possible, tape recorded and fully transcribed. In some cases, tape recording was not possible, because respondents felt uncomfortable with the process or because of technical difficulties, such as loud back-ground noise. In these cases, comprehensive notes were taken during the interviews and immediately afterwards.

Data analysis started with a close, critical reading of the interviews and publications. Following the methodology suggested by Eisenhardt (1989) within-case accounts were constructed first, followed by between-case comparisons. The data analysis did not follow strict methodological rules as advocated by some discourse analysts, but was adapted to the needs and interests of this particular piece of research. This follows the thoughts of Jaworski and Coupland (1999) that discourse analysis is not a method in the strict sense and that its basic assumptions about the local and emergent construction of meaning and value might

well be obscured by adherence to set rules and procedures. The approach taken here is therefore highly qualitative and interpretative, as close as possible to the particular companies and their circumstances.

The UK Water & Sewerage Industry

The water industry in the UK was privatised in 1989/90, at the same time as the electricity industry. Former regional water boards were converted into private companies with, originally, the same geographical scope and an initial monopoly over water supply and sewerage services in that area. While water supply constitutes what many consider to be a natural monopoly attempts to open up these markets to competition (initially only for the industrial and commercial sector) have been made. Privatisation of the industry was highly controversial at the time, and attracted much hostility from the media and - as anecdotal evidence suggests - from parts of the population at large. This hostility was partly connected with the general political debate regarding the relative merits and disadvantages of public or private ownership of utilities. However, it also found a target in increased prices (one of the aims of privatisation had been to provide the industry with adequate financial resources, in part in order to meet environmental legislation emanating from the European Union, through access to capital markets and by allowing price increases to consumers) and in what was perceived as excessive remuneration of 'fat cat' chief executives. The transition from public service to private company with a shareholders and a profit motive was one that many long-standing managers in the companies found not too easy to make. Increasingly, however, the old public service managers were replaced with people from the private sector and a 'private

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[1] In some respects, it would have been ideal to have identical samples in both periods but due to turnover of staff this was not possible.

sector ethos' became more established. Even so, the need to make profits and to satisfy

shareholders remained a relatively new concern for many people in these companies[2].

The industry is heavily regulated by an industrial regulator (OFWAT) which effectively sets

prices that the companies can charge as well as a number of other service parameters. On the

environmental side, the industry is regulated by the Environment Agency[3]. The water

industry is subject to significant environmental legislation, much of it emanating from the

European Union, such as the Directive on Bathing Waters and the Urban Waste Water

Directive, among others. While the former public water authorities had found it very difficult

to meet these legislative requirements, the newly privatised companies spent much money

and effort to improve their compliance record. Despite a number of high profile incidents

and subsequent prosecution by the Environment Agency, there is evidence that compliance

with environmental legislation has indeed improved, following a major capital investment

programme. Partly because of the completion of this investment programme the last price

review by OFWAT (the industry regulator) sought to reduce prices charged to consumers and

was described in the interviews as "very tough". After a period of big increases in income and

'windfall' profits the financial situation is now regarded as much less comfortable by

managers in the companies.

Environmental Discourse in the two Companies

Company A

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[2] This is based on evidence from the interview, which is too lengthy to include here in detail.
[3] Before privatisation the regional water authorities acted as environmental regulator for the aquatic environment. After privatisation this function was separated from the new water & sewerage companies and put into a new, national regulatory body, the National Rivers Authority. The NRA was later merged with two other environmental regulatory functions (Her Majesty's Inspectorate of Pollution, which was concerned with air pollution, and the waste regulators) to form the Environment Agency.

Company A is a water and sewerage company, privatised in 1989/90. Since then it has acquired a major UK waste management firm, which recently acquired a second major waste management operator. The group also has business interests overseas, including the US and mainland Europe, both in the water and the waste sectors.

The company has positioned itself as an environmental service provider. This label appears on all company publications and logos. The positioning was already being developed in 1996/97 and had become the principal label of the company in 1991. A number of discursive practices were deployed to support this position. In terms of its rationale the position of environmental service provider was presented as one that conveyed competitive advantage on the company in a number of ways. Respondents told me that presenting oneself and being seen as an environmentally responsible company, perhaps even the environmental leader in one's field, helped in gaining contracts where the company operated in competitive markets (i.e. outside domestic water and sewerage supply), such as water & sewerage contracts outside the UK and industrial and municipal waste management contracts both in and outside the UK.

"Environmental issues play a role in our business-to-business market. Most big companies are developing their own environmental responsibility programme and so they rely on their contractors to achieve their goals. Environmental issues are also becoming more complex and companies are keen to let an environmental service provider, such as [our company], do it for them." (Environmental Director, Water Division, CompanyA)

"I also think increasingly our major customers are becoming far more aware of their environmental credentials and they need to demonstrate to their shareholders that they're being responsible. And that gives us an opportunity to go in as their contractors." (Environment Director, Waste Division, Company A)

The financial rationale for the company's environmental positioning is also underlined by one respondent's account of the success of the strategy in terms of share price performance.

"At privatisation the inherited asset and debt situation of the newly formed water companies was taken into account by OFWAT [the water industry regulator] when agreeing the pricing structure. Companies that inherited large debts were allowed bigger price increases year on year, which was then reflected in higher share prices. [Our company] did not inherit large debts and its prices were not allowed to increase to the same extent. This meant a lower share price than other water companies. The company was therefore looking for something that would differentiate it in the eyes of investors. Environmental performance and leadership was seen as such a differentiating aspect and the company positioned itself accordingly, initially as an act of faith. The strategy worked and, as far as one can tell in the changed structure of the industry, [the company] is now among the top companies in terms of share price". (Environmental Co-ordinator, Water Division, Company A).

The same theme of environmental strategy having a financial rationale is shown by a frequent assertion from a number of respondents that pro-environmental expenditure has to yield the largest possible public relations and, ultimately, financial benefit.

" What we want to do, and what we've always tried to do within this company, is to get the biggest bangs for our buck, if you like. So we are trying to get as many benefits as we can from the basis of environmental management systems without having all the bureaucracy that goes with it". (Director Water Supply, Water Division, Company A)

In this way, the rationale for positioning the company as an environmental services provider and in terms of environmental leadership is presented as a sound, commercial one, which is bringing very tangible, financial benefits to the company. A sound environmental strategy and good environmental performance are then presented as being of very high priority in the company. Our respondents all stressed the high priority that environment has in the company strategy.

"So it is right on the top of my agenda. There is nothing that is higher on my agenda than that really. It is higher even than financial management". (Director Water Supply, Water Division, Company A)

Respondents also generally suggested that the company was doing a fairly good job in managing environmental issues and that this was very much part of how the company operated as a matter of course.

"It's very well stitched into the fabric of the organisation now, which in a way makes the job for me very much easier. Coming up with new ideas, it becomes challenging at times". (Environment Director, Waste Division, Company A)

One interesting feature (particularly in comparison with Company B, below) is a striking unanimity of discourse in the interviews, stressing the high priority that everyone in the company and, particularly, top management are giving to environmental issues. This consensus appears to have become stronger over the five year period of this research. In 1996/97 none of our respondents suggested that environmental issues should not have priority but one of two felt that they were perhaps not always handled in the best possible way and that more financial commitments (on discretionary expenditures) should be made if environment was really such a priority. In 1991 I heard no such dissenting voices, even though I spoke to the same two respondents again.

There were some differences in the types of environmental issues that respondents considered to be most important, although there was no suggestion that these different outlooks were not compatible. In the 1996/97 period the emphasis with respect to environmental issues was quite clearly on pollution issues (such as discharge of untreated sewage effluent or treatment chemicals into a water course) and the potential (and in a number of cases actual) prosecutions by the Environment Agency that this entailed. Pollution and staying within regulatory discharge consents continued to be the major concern for some of our respondents in 1991.

> "I think across the group the [environmental issues] that are hitting the bell at the moment are probably air pollution, in a number of guises. Obviously, we are spending an awful lot of money on meeting our emission target from landfill sites". (Environment Director, Waste Division, Company A)

"I suppose the ones that take up most time, anyway, and most attention and most focus, are the avoidance of pollution. And as you rightly say, the regulators have a huge influence in this area, because we get prosecuted for pollution [incident]s". (Director Water Supply, Water Division, Company A)

Other respondents felt that pollution continued to be important but that the real challenges lay in wider sustainability issues, such as global climate change.

" [Pollution] is not unimportant but as a total of our expenditure it is going down [...]We have also been championing the cause of climate change, which we take to be a given reality, which could have radical implications for the management of flooding, drainage, etc. Yet, at the moment there is no body in the UK that can take the necessary visionary look at the future. Within the group we are positioning water as a long-term vision and we want to have the ability to make long-term investment planning". (Environmental Director, Water Division, Company A)

Clearly, water resource management in light of possible climate change was seen as a major potential problem for the company, one that would affect its ability to meet its organisational purpose and, by implication, of remaining financially successful.

Company B

Company B is a group consisting of a water & sewerage company, an electricity distribution company, which the water & sewerage company took over in 1995, and a number of other, non-regulated business interests both in the UK and overseas. In 1996/97 the company had set up an environmental unit and developed an environmental policy at group level and was in the process of rolling out policy and developing environmental strategies and divisional

and departmental level. By 1991 many of these initiatives had been institutionalised, such as regular environmental performance reports, environmental policies for divisions and departments, and similar. However, at structural level a number of changes had occurred. The Group environment team no longer existed and the responsibility for overseeing environmental policy and practice now lay almost exclusively with the environment team in the division which ran the regulated water & sewerage and electricity distribution business.

Perhaps the most striking difference to Company A was that in Company B environmental discourse was much more contested within the organisation. Two main areas of disagreement emerged from our interviews. One was over the priority given to environmental (and social issues). On the one hand, some managers argued that environmental issues received very high priority in the company.

> "Environmental and social issues are taken very seriously in the company. We are very concerned with trying to improve our rating on the Business in the Environment index, and have achieved quite a good position in the last rating. We have also undertaken a number of governance type actions in this field. Thus, for instance, a Public Policy Forum has been established at group level, chaired by the Chairman of the company. So, a very high priority is accorded to this". (Group Strategic Planning Director, Company B)

At the same time, the same director stressed that environmental and social engagement was not a goal in itself but that it was required to bring in tangible benefits for the company.

"These are tangible business benefits for the company. It would be wrong to do these things out of altruistic reasons. That's not what private companies are there for but often what is good for other constituents also brings a long term benefit for the company, even though it may not be easy to quantify these benefits. The current MD of Services Delivery [division], quite rightly, puts a lot of emphasis on making a business case for charitable donations". (Group Strategic Planning Director, Company B)

On the other hand, a number of people, particularly in the Environment Team in the Services Delivery Division, felt that the commitment to environmental issues at top management level was not as strong as it could be. This, to them, was evidenced by two things in particular: (1) the fact that, apart from the Chief Executive, there was nobody at board level who took the role of environmental champion; and (2) that the new managing director of the Water and Electricity Division seemed to prioritise cost savings (necessitated by a "tough" regulatory review) over environmental and social performance and had significantly cut discretionary spending on these issues. The first problem led to some significant unease regarding the future priority given to environmental issues whereas the second problem led to palpable frustration on the part of those managers responsible for these environmental and social programmes.

"Although [the chief executive] is very keen and committed, I'd feel a lot more comfortable if there was also another group board member, and at the moment - it's not just notional, he's taken this hands-on responsibility because he actually said he wanted to come and chair the environment panel, he could have delegated it but he didn't, he wanted to do it himself. He is a member of the Royal Commission, and so on, but it does worry me, there is only a limited number of things that the chief executive can personally

engage in, and if he was ever to go, where would we look then? I'd feel a lot more comfortable if there was another champion on the board. But I don't think there is, it's certainly not easy to put your finger on who that is. I mean, one potential candidate would have been the new MD [of our division] […], but I don't think there is any way that you could say that he actually plays that role". (Environmental Management, Services Delivery Division, Company B)

"No director on the board with any environmental remit. I think, maybe the chief executive sees it as being o.k., but I don't think he's completely in touch with the working, what's happened at the reorganisation, at grass roots level. You've got people who have not paid due regards to the environmental requirements, and totally forgotten, you know. The code of practice on conservation, access and recreation lives on in my in-tray, on my desk, but nowhere else, I'd suggest. Totally forgotten about. We've got to go back to basic principles, now". (Conservation, Access & Recreation Manager, Company B)

The fact that a number of members of the organisation who had been seen as driving environmental issues in 1996/97 had left the company in the meantime (either through voluntary severance or retirement) was also mentioned as evidence that environmental issues were not now championed to the same extent at top and senior management level.

"In '95 we set up the Environment Panel […], [which] worked very well to start with, unfortunately then suffered due to the retirement of […] the Technical Director. [We] then looked for a new chair, and in the meanwhile also […] the Policy Director retired. […] the Quality Director then became the Quality and Research Director and took the

panel over, but it was clear that it wasn't being supported in the same way. It was perceived as something less important than it had been before. And it quietly subsided and indeed the Quality directorate was disbanded prior to this re-organisation, and [the Quality Director] was given early retirement. So, there were quite a few blows to what would have been continuity in terms of environmental management". (Environment Director, Services Delivery Division, Company B)

The second area of contest was over the direction of the environmental positioning of the company and, in particular, whether environmental issues and corporate social responsibility should be considered together or separately. The decision had been made by top management to keep the two separate for the time being but this was a decision which was being questioned by at least some members of the organisation.

" [The company] has moved into the top team on corporate social responsibility. It had a number of successes. […] This year, we've effectively got […] a joint social and environment report. So, that really is quite a significant change. And it's one which, in a sense, I welcome because I believe that bringing them together is the right way to go. What we haven't actually done, well, we're at the stage of trying to battle that one out, is to integrate our social and environment policies. And in fact, the decisions that have been made to date are tending to keep the two things separate. […] [And we] set up a thing called the Public Policy Forum, which is still there and is now an important part of the way in which both environment and social matters are managed. And, I think, it's got a fairly high profile, it's chaired by the chairman. […] And meanwhile environment, if you like, looked after itself. […] I certainly wasn't happy with the fact that the environment committee wasn't meeting at all, and I suggested that it should be reinstated

as a Sustainable Development panel […] but, in fact, the decision was made not to do that and it's been reconstituted as an environment panel. […] [Perhaps the chief executive] saw us as being on fairly strong ground on the environmental side, and possibly on weaker ground on the corporate social responsibility side. And so he felt it was better to go with our strengths. […] I think that in reality a lot of the external credit that we've got has been because of the social side, I mean, we've done our bit on the environment side but I don't think that it's environment that's pushed us through, I think it was that combination". (Environment Management, Services Delivery Division, Company B)

Another interviewee stressed the difficulty that an engagement with social issues posed for the company, which was different from environmental issues, which were largely regulated.

"Social Responsibility is more difficult because the industry is becoming more competitive. The regulators, Ofgen and Ofwat are both looking towards more competition and one of the results is that they demand the removal of cross subsidies, which is likely to affect more vulnerable customers hardest". (Group Strategic Planning Director)

This presents a much more heterogeneous and conflictive discursive field than that in Company A, with several competing strands of argument regarding the feasibility and/or desirability of merging social and environmental issues, the perceived priority given to environmental issues in the new, harsher economic climate. It is also noticeable that those voicing concern, both regarding the perceived priority of environmental concerns and regarding the lack of integration of social and environmental issues were people at middle

manager level - as opposed to top management, who had been with the company since before privatisation - as opposed to being recently recruited from elsewhere in the private sector.

Discussion and Conclusion

In the sense that they have instituted systems and mechanisms to ensure compliance with the significant environmental legislation they face and that they have produced environmental policies and a series of environmental performance reports, both companies can be said to have institutionalised environmental concerns to some extent within their organisations. They have also established a pro-environmental company discourse, which emphasises, among other things, the need for a good environmental compliance record and the potential financial benefits of being a good environmental company.

Beyond this commonality, Company A appears to have developed a more uniform environmental discourse throughout the organisation with a strong emphasis on gaining competitive advantage through a positioning as environmental leader. Two related factors may perhaps account for the emergence of this relative uniformity of discourse: firstly, strong top management support and, indeed, drive of this environmental leadership discourse, and secondly, and perhaps even more importantly, a strong discursive link between environmental positioning and competitive advantage. The notion that being perceived as an environmental leader will lead to more business in competitive markets, will attract investors and will generally stand the company in good stead with stakeholders, seems to be well established in the company and is not really contested. However, it also seems that to maintain this connection it is necessary to define environmental engagement in such a way that good environmental performance generally leads to better financial performance. This may preclude environmental engagement in areas where the financial pay-off may not be

easily forthcoming or where such a pay-off is not seen by managers. As this understanding of environmental strategy and positioning did not seem to be contested there were no obvious power conflicts observable over this issue. However, the fact that this discourse seems to have been initiated and is largely sustained from the top of the company throughout the hierarchical organisation, this does, in itself, constitute a power relation, perhaps all the more forceful for being uncontested.

At some level the same logic of environmental and social engagement having to bring some tangible benefit to the company is also voiced in Company B. However, here this notion is not as dominant nor as uncontested. According to our respondents top management have made decisions that reinforce this notion but it is contested rather more strongly from other, less powerful actors in the organisation, who seem to have less faith in the genuine environmental concern of top managers. An additional element of contest, which does not figure in the discourse we heard from Company A, is brought in by the question of how and to what extent environmental and social concerns should be linked.

Interestingly, the need for environmental engagement to bring tangible, instrumental benefits to the company, is being stressed quite frequently by managers. Following Fairclough's (1995) assertion that ideology is often most strongly present in what is not said, this need to stress the connection between environmental and financial performance is interesting and points to this being not entirely taken for granted. On the one hand, this is probably due to a strong, alternative environmental discourse, which stressed the value of environmental protection for its own sake, a discourse which would still seem to be prevalent in most of the environmental movement. On the other hand, it may also have to do with the fact that financial considerations and the need to make a profit are relatively new concerns for these

companies, concerns which many of the longer standing members may not have internalised fully.

In conclusion we might say that these companies are institutionalising environmental concerns to a certain extent in their organisational discourse. Although qualitative case study research makes generalisation to other companies difficult, evidence from other research makes it plausible that similar discursive practices go on in other companies and industry sectors. It also seems plausible that, due to their economic and political clout, large business organisations are shaping the debate on environmental issues and sustainable development through their internal and external discursive practices. The evidence from this research suggests that they are doing this, at least partly, in a constructive rather than a negative and defensive way. Yet, we should note that the environmental discourse that we heard in these two companies is one which is quite compatible with the present economic system. These companies are in the market in order to be financially successful and to grow where possible and environmental performance is considered important because - and as long as - it helps them to do that. This is actually more strongly the case in Company A, which might be said to have more fully institutionalised environmental concerns than Company B. If one believes that current environmental problems can be solved within the existing economic system, which is built on growth, this may not be problematic. If one does, however, suspect that eco-efficiency within the current system may not be enough to solve underlying problems of ecological sustainability then the above conclusion is more problematic and suggests, at the very least, that expecting business organisations to solve environmental problems by themselves is likely to be a fallacy. It would also seem that an environmental strategy which links environmental goods so clearly and strongly to financial goals is problematic from a perspective which regards the natural environment as having value beyond its usefulness for

humans and that this value is unlikely to be given its due regard by an environmental discourse which is strongly linked to financial performance.

It would be interesting (albeit beyond the scope of this paper) to study the extent to which the two case study companies - and other business organisations - can influence and shape public discourse on the environment and government policy. It is not unreasonable to think that their economic power allows business organisations in general a strong influence over public discourse. This would also be in line with Habermas's view that the instrumental discourse of the economic sphere is increasingly encroaching on private discourses. If this is the case, the unease which one feels at the strong discursive link between environmental performance and competitive advantage is heightened and the need to critique and perhaps resist these discursive practices all the greater. Perhaps this is even more the case *because* these companies are probably among those that have made more efforts and progress in developing a pro-environmental organisational discourse and corresponding practices.

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