Decoupling environmental practices in the logistics services sector

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Introduction

In the face of ever more urgent calls to mitigate human-induced climate change (Intergovernmental Panel on Climate Change [IPCC], 2022), stakeholders expect organizations to reduce their environmental impact (Hengst, Jarzabkowski, Hoegl, & Muethel, 2020). Consequently, many organizations have incorporated sustainability into their strategies (Meuer, Koelbel, & Hoffmann, 2020). They commit themselves to greening their operations (Islam, Moeinzadeh, Tseng, & Tan, 2021) by adopting environmental programmes, policies, or similar organizational structures (Graafland & Smid, 2019). Slow progress in reaching emission reduction targets, however, sheds doubt on the substance of such commitments.

Mere symbolic commitments to sustainability will not suffice if we are serious about limiting global warming to 1.5° C (Xu, Ramanathan, & Victor, 2018). It is thus crucial that companies align their sustainability policies with veritable environmental efforts. In neo-institutional theory, the misalignment between policies and practices is referred to as decoupling (Meyer & Rowan, 1977), which is particularly problematic in the context of sustainability as it prevents institutionalisation of the kind of changes needed to counter climate change (Dambrin, Lambert, & Sponem, 2007; Westphal & Zajac, 2001). Thus, organisations may use their environmental policies as window dressing to continue business as usual rather than making real changes (Banerjee, 2008; Weaver, Trevino, & Cochran, 1999).

At the same time, organizations face multiple institutional pressures. Decoupling is thus best regarded against the backdrop of multiple, at times competing, institutional logics (Thornton, Ocasio, & Lounsbury, 2012). In this vein, this paper raises the question of *which constellations of logics increase an organization's propensity to decouple environmental policies from sustainable practices?*

By identifying constellations of logics which are more likely to result in decoupling we hope to point to opportunities of (re)coupling environmental commitment and practices in the context of institutionalised sustainability in one particularly polluting service industry, namely among logistics service providers (LSPs) (Centobelli, Cerchione, & Esposito, 2017b).

Theoretical background

Decoupling and its antecedents

Organizations adopt formal structures (e.g. policies, plans, programs and procedures) to adapt to institutionalized rules and thus be legitimised vis-à-vis their constituents. Such structures may counteract efficiency (Binder, 2007). To balance the needs of legitimacy and efficiency, organizations decouple formal structures from one another and from daily practices (e.g. concrete, ongoing or substantive actions), which may in turn lead to ceremonial adherence to institutionalized rules (Bromley & Powell, 2012; Meyer & Rowan, 1977; Westphal & Zajac, 1994). Moreover, a considerable body of research regards decoupling as a (strategic) response to institutional complexity, which arises from multiple institutional logics (Arena, Azzone, & Mapelli, 2018; Binder, 2007; Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011; Oliver, 1991).

The institutional logics perspective (Friedland & Alford, 1991; Thornton et al., 2012) has looked at both structures and practices as reflections of certain logics (Glynn & Raffaelli, 2013). For instance, the organising principle of the family logic is that of unconditional loyalty (Friedland & Alford, 1991). By contrast, actions under a professional logic are guided by the core mission of the profession in question (Thornton, 2004). Quite different principles may thus guide structures and practices. Consequently, research on decoupling must consider the specific organizational and institutional context in which decoupling takes place to identify the logics at play. Likewise, assessing decoupling requires knowledge of the motives and goals behind a certain misalignment (Christensen, Morsing, & Thyssen, 2013). This is complicated by the fact that actions and practices may well serve more than a single goal. Thus, practices to reduce an organization's environmental impact, such as intelligent routing systems, may simultaneously contribute to goals related to the logistics function (Sun, Yu, Solvang, Wang, & Wang, 2022). Conversely, practices aligned with particular constituents' demands may be in conflict with other institutional demands (Heimer, 1999). Research on decoupling is thus inherently context-dependent and requires an analysis of the constellation of logics activated in a focal firm.

Decoupling in the logistics services sector

The logistics sector's environmental impact is relatively high compared to other services (Centobelli et al., 2017b). Accordingly, the need to reduce emissions from logistics service operations has been addressed in practice and in the green logistics literature alike (Zhang, Thompson, Bao, & Jiang, 2014). Structures and practices to reduce logistics service providers' environmental footprint have been identified (Colicchia, Marchet, Melacini, & Perotti, 2013; Maas, Schuster, & Hartmann, 2014). A potential misalignment between the two, however, has so far been disregarded. The concept of decoupling thus deserves further attention in this particular

context as it prevents LSPs' customers from achieving their own sustainability goals given that logistics make up a large portion of any manufacturer's environmental impact (Colicchia et al., 2013).

Methods

The complex, content-dependent and multi-facetted nature of decoupling warrants an inductive multi-case study approach (Nath, Eweje, & Sajjad, 2020; Yin, 2018). This offers the additional benefit of using multiple data sources and include various perspectives (Yin, 2018) needed to identify logics, structures and practices.

Cases are selected from the wlw database. Selection criteria included ISO certification and environmental information provided on the LSP's website, both of which signal an organization's willingness to improve their environmental impact (Boiral, 2007). External corporate communication provides information on the type of expectations addressed by a company (Centobelli, Cerchione, & Esposito, 2017a) and, by extension, about the logics at play. Relevant information on actual practices and ends to which they provide the means (Bromley & Powell, 2012), however, is best obtained from experts inside an organization. Thus, data also includes semi-structured interviews with multiple respondents per firm.

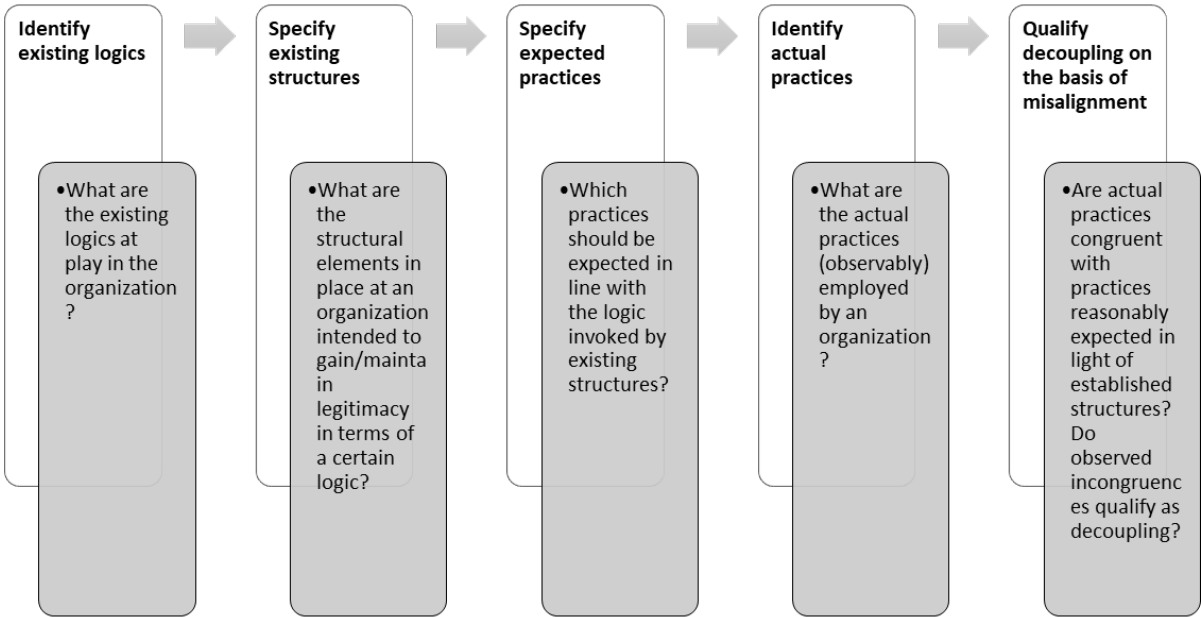Data analysis follows the procedure outlined in Figure 1 below.

Figure 1: Process of identifying decoupling

Concluding remarks

This presentation will include an introduction of the concept of decoupling and apply it to LSPs. The focus will be two-fold: We will first elaborate on the approach taken to analyse decoupling among LSPs and then present the results of our multi-case analysis. In doing so we contribute in three important ways: We (1) highlight constellations of logics particularly prone to decoupling sustainability policies from practices. In doing so, we (2) point to potential for a stronger re-alignment with sustainability policies. Finally, we (3) contribute to the discussion of sustainability in the context of business-to-business services, an area which, thus far, has received comparatively little attention (Sharma, 2020; Zimmermann & Fließ, 2017).

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