Control package redefined: An internal and an external control package in the context of sustainability

Terhi Chakhovich, Turku School of Economics

Tuija Virtanen, University of Helsinki

Abstract

In control package research, this package has exclusively been seen as supporting the goal attainment of a given organization with controls directed at its employees. Reporting a case study in one company, this paper shows how sustainability is used as a complete control package: in cultural control, planning, cybernetic controls, rewards and compensation, and administrative controls. The benefits of operationalizing a control package under one theme include consistency in promoting this theme and its use as an integral part of operations. However, the control package approach to sustainability can result in the theme being defined on the basis of the perspective of the industry and company in question as well as the control package, not on the basis of stakeholder needs. Alternative ideas on sustainability, such as the potential to impact society and nature widely (not only from the perspective of the industry and the company), tradeoffs within sustainability, and complex, eternal, non-practical-management-related issues difficult to address with management controls, are considered less. The study provides a novel framework of these kinds of issues in the form of a so termed external control package that integrates the idea of the control package with wider stakeholder expectations as explicit goals. Moreover, it is acknowledged, surprisingly, that both company personnel and outside constituents can be controlled with the package.

1 Introduction

A control package was detailed by Malmi and Brown (2008) as the total set of controls or control systems used by a given company, taking into account that specific controls complement others and function together in order to produce certain consequences in the company (see also e.g. Abernethy and Chua 1996; Otley 1980; Caglio and Ditillo 2012). The controls included in the package are cultural control, planning, cybernetic controls, rewards and compensation, and administrative controls (Alvesson and Kärreman 2004; Kennedy and Widener 2008; Malmi and Brown 2008; Merchant and Van der Stede 2007; Ouchi 1979; see Appendix A for a visual representation of the package). Often in control package studies, certain controls and company practices are individually analyzed and then shown to form a part of the larger package, functioning effectively together (Kristensen and Israelsen 2014; Langfield-Smith 2008; Sandelin 2008).

However, there is another way in which a “control package” can be perceived. This package may be seen to impose a very effective form of control, if it is perceived as being formed under one umbrella concept, encompassing all aspects of the total package. In this study, this concept is “sustainability”.

Sustainability accounting has often focused on specific performance measures, accounting or otherwise, that are expected to induce sustainability (Dillard 2008; Lamberton 2005). For example, Dillard (2008) outlines an encompassing set of measures for encouraging the social part of sustainability, including labor practices and human rights, and Gray, Brennan and Malpas (2013) advocate the extension of measures, accountability and accounts towards organizations and other kinds of entities not usually measured by these accounts, such as third sector organizations, professions, and institutions such as capitalism. The present study acknowledges the union of all the

disparate sustainability-related control systems into one control package within one organization. The term control package (as opposed to a control system) implicitly assumes a focus on the holistic content of the package, not on the specific interrelations between the different parts of it (Grabner and Moers 2013), thus fitting well the approach in the present study in its focus on the holistic character of "sustainability" in the package.

The control package has been perceived as the internal collection of controls used in an organization, serving the purpose of attaining organizational goals (Kristensen and Israelsen 2014; Langfield-Smith 2008; Malmi and Brown 2008; Sandelin 2008). The present study shows how this term can be extended outside the organization, so that it becomes an "external control package", functioning in order to attain the goals of stakeholders with organizational practices and spelling out the necessary practices and controls to realize those practices, potentially both for employees and outsider stakeholders. The research question is: How can a theme such as sustainability be made to "work" both as an internal and as an external control package?

The paper employs a case study in one Finnish fully state-owned building service company to show how sustainability is used as an internal control package and how it could be used as an external one. All the separate parts of a control package drawn together by Malmi and Brown (2008) are shown to be harnessed in the company: cultural control, planning, cybernetic controls, rewards and compensation, and administrative controls are all present. Interviews with both employees and company stakeholders, as well as archival data e.g. in relation to the company's sustainability reporting, have been used.

It could be argued that sustainability could be a part of a control package, not an entire control package. However, the perspective of the executives in the case company seems to be that sustainability should not itself be a separate entity within company operations: rather, all that the company and its employees do should be pervaded throughout with sustainability. Sustainability thus becomes an overall theme that can be used to describe the entire company, comparable to terms such as "quality", "speed" or "lean".[1] In such a setting sustainability is no longer necessarily a separate part of operations but can theoretically be seen as a totalizing control package having an impact on all company operations. The title of the control package could be "sustainability". The study thus also addresses more generally the question of whether a control package can be organized under one heading or theme, and, if so, how.

Sustainability-oriented performance measurement systems (Bebbington 2009; Epstein 2008; Frame and Cavanagh 2009; Russell and Thomson 2009) have been developed in response to the burgeoning importance of environmental and social issues. However, it seems that not much is known about how sustainable development is operationalized in firms (Bansal 2005; Virtanen, Tuomaala and Pentti 2013). Sustainability as a more complete control package has not been addressed in the literature. This study shows that there are multiple benefits from using sustainability in this way. Sustainability can be used as an integral and integrated part of all company operations, rather than resorting to individual, possibly sporadic measures, against which there are warnings in the literature (Burritt and Schaltegger 2010; Lamberton 2005). Such a control package can be very coherent. The empirical part of this study shows how the control can be extended not only to company personnel but also to relevant stakeholders such as service and

[1] However, not all employees in the company consider sustainability as completely integral to normal operations; rather, some of these dissidents consider it to be quite separate from normal operations. This is no surprise here, as it is difficult to find a practice or idea in any organization with which every employee totally agrees. However, the senior executives generally did not explicitly agree with this view of the dissidents and it was not in keeping with the formal policy. It was a rather marginal view. This view is not of interest for the present theoretical development and is thus not focused on.

materials providers in order to prevent their unwanted actions, such as involvement with the gray economy. A certain type of control can even be extended to customers, usually considered beyond the reach of company control systems, in order to increase the sustainability of the operations of the customers, e.g. increasing the efficiency of the space the customers use for their premises. As the company comes to be seen as the embodiment of sustainability and morality, its perceived right to existence and appreciation can be enhanced among service and materials providers, owners and throughout the network of its operations. Control systems perceived as unrelated to sustainability are outlined here, but these are shown to be potentially more sporadic and less significant; not consonant with the opinions of the company's leading executives.

There are also drawbacks in such organizing. The control package perspective may support a conceptualization of sustainability as being derived from the perspectives of industry and company in question, and from the perspective of what can be measured and controlled with management controls. This may result in an oversimplification of the notion of "sustainability" and the lack of a stakeholder perspective. For example, the potential to impact society and the environment more widely is considered less, certain demanding tradeoffs between different sustainability-related issues may be given less attention, and complex issues impervious to the, admittedly, management-focused and rather straightforward idea of control package can be ignored. The characteristic of the control package as a simple package of controls potentially restricts perspectives on sustainability: "sustainability" as such may become defined by company representatives and the control package, not by stakeholders, although the focus on stakeholder needs is often recommended (Freeman 1984; Freeman, Harrison, Wicks, Parmar, and de Colle 2010; Schaltegger and Burritt 2010). Additionally, research in sustainability accounting often underlines the importance of the consideration of stakeholder goals, acknowledging that in practice within organizations this consideration can be very lacking (Gond, Grubnic, Herzig and Moon 2012; Durden 2008). The approach in the present paper makes these goals very explicit, offering a practical framework to be used by organizations to explicitly consider stakeholder needs and goals.

It is shown how the control package, along with management and organizational controls or control systems more widely, is currently defined from an internal perspective, purporting to support the attainment of certain goals of a given organization. The study shows how the control package could be extended to cover stakeholder expectations and needs, resulting in a new, different control package, that of the "external control package" – purporting to support the attainment of stakeholder goals with the organization as a tool for this attainment. The external control package is demonstrated in the study based on the perspectives missing from the current, internal, control package. It is suggested that organizations would do well to consider this kind of an external control package as an addition to their more traditional, internal control package. This sort of external package allows organizations to more effectively succeed when their members' understanding of the goals of stakeholders is deepened and widened. It is also possible to extend control towards stakeholders if the company becomes seen by these stakeholders as an embodiment of stakeholder needs and these stakeholders thus begin to feel naturally indebted to the company. Simultaneously, the company can partially begin to bridge the well-known gap between company performance and wider, societal performance, the bridging of which has proven demanding, to some extent impossible, due to the fundamental differences in these realms (Schaltegger and Burritt 2010; Gray 2010).

The present study follows the lead by Ditillo and Lisi (2014) and Gond et al. (2012) in integrating the control package approach (Malmi & Brown, 2008; Otley, 1980) to an approach on sustainability. While Ditillo and Lisi (2008) focus on administrative and cultural control, this paper outlines the entire control package from the perspective of sustainability, and provides a more general framework for an external control package – with sustainability and the idea of control

package combined. The paper also adds to the approach of Durden (2008) by providing an explicit template on stakeholder goals and their consideration, a template that can be included within the existing model combining management control and social responsibility as introduced by Durden (2008).

The study is structured as follows. First, a relevant theoretical commentary is presented, second, methodological issues are outlined, third, empirical data are presented, along with the model for the external control package, and the last section encompasses discussion and concludes.

2 Theoretical reflections

2.1 Stakeholders and sustainability

One accepted view of stakeholder theory advocates the wide-reaching consideration of organizational stakeholders (Freeman 1984; Freeman et al. 2010). Stakeholders can be defined as groups or individuals with a stake in the performance of an organization (Freeman et al. 2010) or, even more widely, those who are in positions to affect or be affected by what the organization does (Freeman 1984). Post, Preston, and Sachs (2002) define them as constituencies that impact the wealth-creating potentials of a focal company, deriving potential benefits or risks from the engagement with this specific firm.

Sustainability and Corporate Social Responsibility (CSR) imply that organizations are optimally suggested to acknowledge the requirements of stakeholders other than only shareholders, such as those of creditors and consumers (Carroll 1979; Freeman 1984; Windsor 2006). CSR involves three processes: environmental assessment, stakeholder management, and social issues management (Wood 1991) and sustainability and CSR can be seen to consist of three pillars: economic, social, and environmental (GRI 2013).

Sustainable development has been defined as meeting the needs in a present situation without compromising the ability of future generations of people to meet their own needs (WCED 1987, 43). Sustainability can also be seen as the impacts of companies and their actions on the external environment and the subsequent implications regarding the future (Aras and Crowther 2009, 279; Burritt and Schaltegger 2010). Sustainability ties in with time in relation to the importance of the interaction and continuity between present and future: sustainable practice as of now, i.e., in the short term, can only be something that will also be sustainable (or feasible) in the future, i.e., in the long term.

A range of bodies, individuals, and institutions have articulated what an account of sustainability might imply at the organizational level. Probably the most influential of these has been the Global Reporting Initiative (GRI, see e.g. Adams and Narayanan 2007). GRI is meant as a long-term, multi-stakeholder oriented, internationally dispersed process that aims at developing and disseminating globally usable Sustainable Reporting Guidelines (GRI 2013). These guidelines are intended for voluntary use by different organizations for reporting on the economic, social and environmental dimensions of their activities, both related to production and services (GRI 2013).

The GRI initiative aims to offer a means of producing a kind of narrative which could approximate a notion of sustainability through “the Triple Bottom Line” (TBL) (Gray 2010). The TBL focuses on the three pillars of People (i.e., social), Planet (i.e., environmental), and Profit (i.e., economic) and underlines the importance of these three “bottom lines” or important targets, focusing on all of them, not just the traditional one (profit) (Elkington 1999). There is, however, little evidence to suggest that models such as the GRI can offer a clear approximation of the TBL (e.g. Milne and

Gray 2007). Such narratives are moves towards a broader notion of operations, but they represent only tentative pursuit of clear assessments of the sustainability of organizations (Gray 2010).

The accounting literature has demonstrated a considerable increase in concern over issues related to sustainability and to the roles of accounting practices in relation to it (e.g. Burritt 2004, 2012; Burritt and Schaltegger 2010; Epstein and Roy 2001; Ferreira, Moulang, and Hendro 2010; Gray 2010; Gray and Bebbington 2000; Henri and Journeault 2010; Hopwood, Unerman, and Fries 2010; Schaltegger and Burritt 2010). Within the accounting literature, research has focused on what sustainability implies for business and accounting (e.g. Gray 2010). Sustainability accounting could be seen as an umbrella term for both internal and external accounting practices that include economic, social, and environmental aspects while promoting sustainability (Songini and Pistoni 2012).

2.2 Control package and sustainability

Organizational controls generally refer to controls or means by which superiors influence subordinates in organizations in order to achieve the objectives of those organizations (Chenhall 2003; Langfield-Smith 2008; Malmi and Brown 2008). These controls may be either formal or informal (Alvesson and Kärreman 2004; Collier 2005; Langfield-Smith 2008; Otley 1999). As a response to control often being represented as individual controls in the literature, Malmi and Brown (2008) detail the totalizing construct of "control package", that is supposed to encompass all organizational controls operative at a certain time in a given organization (for the control package, see also e.g. Abernethy and Chua, 1996; Otley, 1980; Caglio and Ditillo, 2012; Simons, 1995). This package is proposed to include cultural, planning, cybernetic, reward and compensation, and administrative controls (Kristensen and Israelsen 2014; Malmi and Brown 2008; Sandelin 2008).

The traditional stated purpose of controls in general and of control packages in particular is to support the attainment of organizational objectives (Chenhall 2003; Langfield-Smith 2008; Malmi and Brown 2008). Thus, objectives are assumed to be decided first, strategy is then assumed to be created, controls are then assumed to be designed to support the reaching of those objectives and strategy, and organizational performance is expected to improve as a consequence of the introduction of the controls (e.g. Otley 1999).[2] "Sustainability" (or other overarching themes such as "quality" or "lean") could fit in this picture in several ways. First, it could form an explicit organizational objective; second, it could be an organizational strategy created to reach other objectives; third, it could form the overarching theme of the organizational control package; and fourth, it could be the measure for organization performance, improving as a consequence of this sequence. However, objectives, strategies, controls, and organizational performance are not separate entities and any dividing lines between them can be difficult to draw. For example, "sustainability" could even represent all of these simultaneously. However, it is also very possible that objectives, strategies, and controls are somewhat divergent so that an organizational objective could, for example, be the improvement of profits or the creation of shareholder value and sustainability could then be the strategy or the theme in the control package to achieve this.

How is it possible to determine whether a certain overarching theme, such as sustainability, is an objective, a strategy, a control package or an organizational overarching performance measure? This can be an empirical issue of how the theme appears and is employed in a given organization. However, it can also form a theoretical issue in the sense of how sustainability fits as a theme in a more general view on objectives, strategies, controls and organizational performance; it could form one of these, several of these, or even a linkage between some of these. The optimal treatment of

[2] The sequential ordering of these tasks should not be taken for granted. The tasks can be organized in many different forms and be continuously overlapping.

"sustainability" in research then depends on the potential theoretical avenues opened up by each choice.

In this paper, "sustainability" is treated as an overarching theme of the control package. This treatment allows the theoretical development of the concept of the control package, including particularly its external form. This development is begun with the illustration, below, on how sustainability can fit each control category in the package, and continued with the empirical section on how sustainability empirically fits each control package component – as well as how several external concerns are left unanswered, providing potential for an external control package. As stated above, it is highly possible that sustainability can appear in other roles in a given company, e.g. as a part of its objectives and/or its strategy. However, this does not exclude its employment as the theme for the control package as well, when this is theoretically and empirically demonstrated. Each control package component is briefly outlined below and tied to sustainability and sustainability accounting in order to underline its connections with sustainability.

Cultural controls, or socio-ideological controls, consist of a varied set of informal social controls that rely on rather "soft" ways of influencing employees: ideologies, emotions, ideals, norms, beliefs, and values (Alvesson and Kärreman 2004; Kennedy and Widener 2008; Ouchi 1979). Malmi and Brown (2008) raise here the issues of *clans*, *values*, and *symbols*. Clan controls bind together members of a certain organizational clan, or group of people, through informalities such as shared tradition, values, and norms (Ouchi 1979). Cultural controls, as their name suggests, also include a very subtle but potentially very effective control mechanism, the company culture (Alvesson and Kärreman 2004; Collier 2005) – which can be seen as both clan control and value control. Explicit forms of cultural controls could also be symbols that remind employees of the importance of company values and inculcate a certain type of culture (Malmi and Brown 2008). Company culture can also be initiated and maintained by introducing, for example, recruitment and placement procedures whereby certain types of people with certain predetermined qualities are given priority when searching for new (prospective) employees (Merchant and Van der Stede 2007; Malmi and Brown 2008). Training, education, and job design and development can also be used as means for culture control (Merchant and Van der Stede 2007), and sustainability could be tied with all of these. Gray et al. (2013) suggest that sustainability can be used as a powerful form of social control by encouraging employees to become their own moral guardians, thinking each of their decisions in the frameworks of sustainability and morality. Sustainability could also be seen in the form of symbols such as follow-up reports on sustainability or the Green Office arrangements supported by the World Wide Fund for Nature.

Planning systems are also a part of the control package framework (Malmi and Brown 2008). They can be related to either short-term or long-term planning, traditionally the line between these acknowledged at one year (Malmi and Brown 2008; Merchant 1990; Van der Stede 2000). Although Merchant and Van der Stede (2007) present planning together with budgeting, planning can also be executed regarding non-financial issues, including, very importantly, strategy-related matters (Malmi and Brown 2008). If sustainability is aimed at, it can be assumed that long and short-term plans should ensure that the practices in the short term will also be sustainable in the long term, or at least if those practices are acknowledged as not being such, there is a long-term plan in place to make them sustainable.

Cybernetic systems[3] have been studied extensively in accounting research as output controls (Eisenhardt 1985; Langfield-Smith 2008; Ouchi 1979), representing rather formal controls. These

[3] Within cybernetic performance measurement systems, the following sequence traditionally applies: performance targets or standards are decided on (as a part also of laying plans), the actual level of performance is then observed

output controls require the measurement of results (i.e. outputs), typically through formal performance measurement systems, outlined widely in the literature (Eisenhardt 1985; Langfield-Smith 2008; Merchant and Van der Stede 2007; Ouchi 1979). Relevant measures can be financial and non-financial measures as well as representing "hybrid" systems including both types of measures (Malmi and Brown 2008; Merchant and Van der Stede 2007). Budgets are also presented by Malmi and Brown (2008) as a part of cybernetic controls, although the links with budgets and particularly short-term planning are naturally also undeniable. Performance measurement systems focusing on sustainability (Epstein 2008; Bebbington 2009; Frame and Cavanagh 2009; Russell and Thomson 2009) have been increasingly developed. The GRI Sustainability Accounting Guidelines (2013) use a wide array of indicators in order to measure organizational performance in terms of the sustainability goal (Lamberton 2005, 11). The economic indicators supplement conventional financial accounting reports with information on the organizational impact on the economic circumstances of stakeholders and on entire economies, the environmental indicators measure environmental performance, and social performance indicators include issues on employee, consumer and human rights and societal issues such as corruption (Dillard 2008; Lamberton 2005).

Reward and compensation systems encompass those systems that provide any kinds of rewards for employees (Malmi and Brown 2008), either extrinsic or intrinsic (Flamholtz, Das, and Tsui 1985). These rewards are often given on the basis of performance measurement systems that define certain measure thresholds, on the basis of which, if reached, rewards are given (Ittner, Larcker, and Meyer 2003). Several approaches condense strategically relevant sustainability-related issues into performance measures (Burritt and Schaltegger 2010). Sustainability management control refers to the practices of management control, such as target setting, strategy and plan preparation, performance appraisal, rewarding, the management of information flows, and to the processes by which these can be developed in order to enhance sustainability (Ball and Milne 2004). As an application of management control systems, eco-control serves as a means of inculcating an environment-related strategy throughout the firm (Henri and Journeault 2010). Elkington (1999) describes the TBL as a form of sustainability accounting aiming to report on an organization's economic, social, and environmental impacts. All these approaches can be applied in locating sustainability-related performance measures to be used as bases for remuneration.

Administrative controls (Merchant and Van der Stede 2007) are sometimes termed bureaucratic controls (Kennedy and Widener 2008; Ouchi 1979) or mechanistic controls (see e.g. Chenhall 2003). These are seen, for example, in behavior controls which predominantly refer to so-called standard operating procedures and practices specified beforehand (Langfield-Smith 2008; Malmi and Brown 2008). Action controls also represent behavior control (Merchant and Van der Stede 2007); this applies particularly to certain types of behavioral constraints which may be physical (exemplified by locks, passwords and other limits to e.g. selected areas) and administrative (referring to the separation of potentially sensitive duties and to restrictions on decision-making authority) (Merchant and Van der Stede 2007). In relation to administrative controls, Malmi and Brown (2008) discuss *governance structure, organization structure,* and *policies and procedures*. By administrative controls, certain simple sustainability-related actions can be encouraged, such as the prevention of the littering of the environment and the adherence to certain reporting procedures in sustainability reports in order to make the reports comparable. These controls can also affect values by guiding thinking in the company in predetermined and selected avenues.

As an overall take on control package, it is possible to see how all of its parts are focused on the focal company; supporting the attainment of its goals and controlling its employees. This approach

based on these targets, and compensation is determined according to the achievement of target or standard levels (Otley 1999).

can foreclose the consideration of stakeholders' goals and actions, although the appreciation of these goals and actions has been suggested as being important for organizational members in inducing organizational success (Carroll 1979; Freeman 1984; Freeman et al., 2010). On the other hand, research has underlined the importance of combining management control systems, more generally, or control package, more specifically, with sustainability control systems that are meant to encourage sustainability in organizations (Gond et al. 2012; Durden 2008; Ditillo and Lisi 2014). Without an effective link between management control and sustainability control, the sustainability-related actions can remain at the level of "greenwashing" and organizational image management, with the ties between actual company management and sustainability remaining elusive (Durden 2008). Neely, Adams and Kennerley (2002) discuss the interesting construct of performance prism which makes stakeholder needs explicit; the present study extends it by connecting stakeholder needs more explicitly with rather practical management control. The present study also relates to the sustainability clover (Bonacchi and Rinaldi, 2007) which visually appealingly outlines organizational stakeholders and connects performance measures to them.

3 Method

The study relies on an intensive case methodology in order to gain a wide understanding of the issues of interest within one organization (Harré 1979; Stoecker 1991). This kind of an understanding is necessary in order to answer the research question on the specific and actual functioning of control systems. Within this methodology, the more specific data used are interviews and archival data.

The case company, termed SusPac, was chosen for the following reasons. It has prepared sustainability reports since 2002 and has received numerous nationally prestigious awards for its sustainability reporting. Due to the state ownership of the company, it has leeway in that it cannot go bankrupt and is thus able to pay particular attention to sustainability as opposed to purely monetary considerations. The company also had a clear sustainability-related control package in use, facilitating the integration of the case with this theoretical direction. The building industry and service providers functioning there have been extensively criticized for their non-sustainability, having even been accused of illegal practices. Thus this industry is an interesting case in the sustainability context. The company is also physically accessible to the researchers and has agreed to participate wholeheartedly, providing access to a decidedly large set of data. The empirical material of the case has been approached theoretically so that the data assist in answering the theoretical research question.

Regarding data, altogether 46 interviews were carried out within the company and also with its stakeholder representatives. The employees interviewed included personnel responsible for CSR reporting and other employees, representing the executive level and also many other organizational levels. The interviewees also included representatives of many stakeholders of the company; these interviews were undertaken in order to gain access to the stakeholder point of view. The stakeholders interviewed included representatives of service and materials providers, the owner (i.e. the state), competitors, customers, and the overall external community. Former employees from multiple organizational levels at SusPac were also interviewed in order to access multifaceted perspectives on SusPac.

In the case of SusPac employees, both previous and present, the interview outline elicited the significance and importance of terms such as "sustainability", "present" and "future" for the employee regarding his or her work (these terms being integral to sustainability), the implementation of CSR in the company, and examples in relation to experiences with it, measurement and compensation systems employed in the company (these were the only issues

directly tied to the control package that seemed to require explicit questions; for example, cultural controls were discussed quite freely in relation to the other questions), and also relations with stakeholders. In contrast, the interview outline in the case of stakeholder representatives focused on the views of SusPac by the specific stakeholder representative, with special reference to sustainability. Often a former employee also represented a stakeholder, such as a competitor or a customer, and in this case, interview questions from both perspectives were utilized. Appendix B shows the more specific interview themes taken up.

The interviews were semi-structured so as to enable the respondents to express themselves through their own meaning systems and so that the interviewers did not excessively lead these respondents (Rubin and Rubin 1995). All interviews were face-to-face meetings, and, with one exception, were audiotaped and transcribed; permission to audiotape the interview was always requested at the beginning of each interview. The one interview that was not permitted to be audiotaped was transcribed on the spot and written up immediately after the interview. As a part of the interview procedure, all interviewees were asked to suggest additional interviewees and this network sampling method assisted in locating interviewees varying in their attitude towards SusPac and its sustainability efforts. Having left SusPac relatively recently, the former employees generally possessed topical knowledge on the company. Sources of data are detailed in Appendix C.

In order to provide additional perspectives on SusPac, archival data were also used (Vaivio 2008; Yin 2003). CSR reports were investigated but several other sources of data were also tapped. Internal SusPac documents, SusPac website materials, histories, publications by SusPac intended for its stakeholders, publications by SusPac stakeholders (such as information on building infrastructure), National Audit Office publications on SusPac, the main control documents related to SusPac business by the Finnish Ministry of Finance (the Government Premises Strategy and the State Real Estate Strategy), performance measures of SusPac employees and press coverage of the focal company were likewise used. Based on the data on company website, Appendix D provides the organizational structure of SusPac. Appendix E contains the structure of the wider network within which SusPac operated, constructed by the researchers on the basis of archival data and interviews.

The analysis proceeded as follows. We began our literature search with a rather wide interest in control systems, and soon focused on the idea of a control package because it seemed to provide interesting insights in addition to the focus on specific measures often prevalent in the context of sustainability. Some further reflections on the definition and theoretical positioning of control package as such were provided in order to relate it theoretically more effectively to sustainability. The data provided numerous ways in which sustainability could be seen as forming a control package in the company, and these ways were made notes on and elaborated on in relation to the control package and control systems literature. Based on this treatment of the data, several implications of using sustainability as a control package emerged. The more positive implications were clearly based on the use of sustainability as a totalizing control package and on the individual attributes of the package and these beneficial attributes were made notes of and grouped based on the part of the package they represented. However, some causes for concern also emerged, and these issues were likewise noted and grouped according to the relevant issues of concern, these issues being, for example, problematic trade-offs within sustainability and the impaired potential to impact society more widely. Looking at the company from a stakeholder perspective, these issues of concern were then formulated as parts of a novel construct, the so called external control package.

4 Empirical findings

4.1 Sustainability as a control package

The intended purpose of a control package is to support the attainment of organizational goals. These goals are defined in the website of SusPac in terms of the fulfilment of the premises-related needs of the state, by offering both physical spaces and associated services supporting the efficient and effective use of the premises. The intention is to support the operations of state organizations in such a way that those organizations can focus on their own core competencies. It is notable that this goal is rather narrow, focusing on the servicing of the owner and its premises. As a state organization, the company could be conceived as taking up wider responsibilities in relation to the development of the building industry and society more generally, but its stated primary goal does not include any of these kinds of issues. Additional concerns on these wider issues will follow later on.

The empirical findings show how SusPac used sustainability as a tool for control of both of its employees and its stakeholders, particularly service and materials providers, but also, surprisingly, customers (the potential to affect stakeholders is presented in this section 4.1 because it integrally ties in with the internal use of the control package in the present empirical context). Here it is notable that sustainability is not a formal goal in the organization; rather, it is a means to the goal. In other words, on the website of the company and in the interviews it was recognized that the company and its representatives were always meant to act sustainably while aiming for their goals. In this way, sustainability was used as a control package through which the company's goals were looked at and meant to be achieved.

Sustainability was seen in the *cultural controls* of SusPac as clans, values, and symbols. At SusPac, the clan effectively promoting sustainability consisted of multiple employees at the executive level. Sustainability was perceived by them as an integral part of the company; whatever the actions of the company, they should be sustainable; there was to be nothing within the company that was not related to sustainability. Sustainability was also described as automatically originating from the "backbone" of the employees working in the company and thus from the "backbone" of the company itself. In the following, an executive compares this present situation to the situation before in which sustainability was seen in the company as a specific part of operations only, not as an integral part of all of the company operations and strategy.

> *We had some kind of a discrete [sustainability-related] mindset earlier [by which sustainability was seen as detached from other operations] and we had this kind of an ecological construction method and separate labels of this kind so that this belongs to the environment thing and that belongs to social responsibility. Now it is not in any way, nobody implements any kind of an ecological construction method anymore, instead now we are doing a new investment process and [sustainability] is a part of it and the [sustainability-related] objectives that come, they come as a part of the normal, ordinary way of operating.* (Strategy Director)

This clan had gathered around itself a larger number of company employees, who, even if they did not completely buy into the idea of ubiquitous sustainability, at least did not dare to raise any concerns that there might be anything negative about sustainability. It was seen as an utterly positive phenomenon and as a value that was appreciated in the organization extremely widely. The ideology of sustainability was meant to tie the entire organization together as a united entity, and this was seen in many training procedures within the company. It was also claimed to effectively motivate employees, as the following quote shows.

> *For years we have asked in personnel surveys what motivates each individual employee or what is the most important issue in SusPac, so systematically, like for ten years, social responsibility has always been the most important source of work motivation. So that employees think that they are doing socially important work and they are doing it in a responsible way. It has been number one for a long time…And as these things are systematically discussed during all personnel events and like that, people are truly interested and they do not think that there is again that "butterfly" talking nonsense. So that kind of a victory in relation to attitudes has really been reached.* (Chief Operating Officer)

Sustainability was also intended to affect the values and thus actions of customers. They were encouraged to save energy and electricity. The requirements extended even to completely changing the customers' own spatial work environment in order for them to use less space and thus to save. It is worth noting here that SusPac's customers were mostly state organizations and they had to consider SusPac's offering; however, they also had, to a certain extent, the freedom to choose another real estate supplier if they so desired. Many customers traditionally had one office per worker (with everybody having their own privacy), but SusPac actively promoted a "multi-space work environment" in which the work area would consist not of individual offices, but of several different kinds of areas such as group work areas, totally quiet areas, and "cafeteria areas" in which people were allowed to talk in the same way as in a cafeteria but in which work could also be done alone if so desired. SusPac had itself altered most of its own traditional offices to form such a work environment in order to save space and to appear a credible and responsible actor in the eyes of the customers – after all, the company could not ask others to do what it was not prepared to do itself. SusPac had studied its employees and found that perhaps only 40% of the working time of these employees was spent at individual workstations; instead, people were in meetings and out of the office; thus, individual rooms for everybody did not appear to make sense (even the CEO did not have his own room).

There were also several symbols in relation to sustainability in the company, one of the most visible being the large screens in all the lobby areas of the company, the purpose of the screens being to show, for example, current energy and water consumption, thus reinforcing the importance of these issues firmly in the minds of all the employees.

Sustainability was included in both long-term and short-term *planning*. The entire company's future was acknowledged to be tied to sustainability and thus sustainability, strategy, and future planning were claimed to be integrally intermingled together. For example, the life cycle of a given piece of real estate was seen as an integral part of long-term planning in relation to real estate investments and renovations. On the other hand, short-term planning was said to be used in order to ensure sustainability in more immediate actions, those related to certain service tasks, for example. Both plans included numerous issues in relation to sustainability. The following quote illustrates the importance of both short-term related issues and long-term planning from the perspective of sustainability.

> *It is not right that your thinking is in the past or alternatively as pipe dreams in the future. We do very concrete things. Just everyday trivialities, we shovel snow and repair this and that. And we do them precisely today, now. But we need to have a long-term view. What I do today, is it also smart from the point of view of those people looking at the issue in ten years. And it is this issue we run into many times in the everyday construction industry work. So that what kind of an idiot has ruined this when this was being built. Somebody has some time taken the easy way out in doing so and so and it causes bad problems in the future. Somebody has saved a little money,*

> *made some compromises with materials, done [something] carelessly in a hurry, now, without taking responsibility for the future. It is the so-called curse on the construction industry.* (Chief Operating Officer)

There were two different ways of conceptualizing the *cybernetic controls* in the company in relation to sustainability. According to the first of these, as all company operations were related to sustainability, all cybernetic controls were also related to sustainability. The second view was that there were several sustainability-related measures but also several non-sustainability-related measures on the measurement scorecards. For example, one person working in administration said that the internal customer service figures and the figures on performance in relation to the cost budget were not sustainability-related as they were not tied to issues such as energy consumption. According to the first view, these measures are unequivocally sustainability-related, the customer service measure related to the social and the budget performance to the economic pillar. The quote below, from the financial unit, illustrates the second view.

> *Certain employee groups perhaps, it is not in any way possible that everybody would have, but probably certain employee groups have clear sustainability-related targets on their scorecards. I think that one concrete issue is probably this indoor air that has been quite much in the forefront for the last two years and much effort has been invested in it in order for it to be truly done and I think that issues of this kind have been [put down on the scorecards] in the lower organizational levels. In the financial department, for instance, well, I do not think that targets of this kind would come onto our scorecards. In [our department], after all, quite a lot of the things run on and around the financial processes and how they function and develop and issues of this kind.* (CFO)

As noted above, sustainability was present in company budgets and other plans – with the two views reflected on above diverging on how powerfully sustainability pervaded them. Budgets were acknowledged to be prepared bottom-up in order for the operations of SusPac to effectively influence them. The quote below elaborates on the relationship between budgets and sustainability.

> *In our unit, we naturally followed…We had this so-called "holy trinity". Satisfaction survey results, then this financial perspective and then this technical perspective, so there was this energy and service management of real estate. And the financial perspective is quite self-evident, that you are on budget and vice versa: if you have a certain sum of money for repairs, … it looks a little strange if you don't use it. So it is not proper for you to "sleep" if the term is applicable here.* (Former Regional Manager)

There were both financial and non-financial measures of sustainability in scorecards in SusPac, representing a hybrid system. Again, views were voiced that financial measures were not so much sustainability-related, although the general executive clan view perceived all these as sustainability measures. The financial measures included, for example, cost performance under budget as percentage of the budget, energy savings and lease income. Non-financial measures could be exemplified by employee motivation, customer satisfaction (both internal and external customers), participation and activity in training and in project groups, number of invoices processed, and whether or not a certain new system had been implemented according to plan. GRI guidelines were aimed to be tied to the measures. The quote below illustrates how these measures tie in with sustainability.

> *We see that [scorecard measurements] are issues that support all socially responsible operations in our company. But we do not directly ask [in the scorecard] if you have*

> *worked in a sustainable way during the year. Because it links, however, with the job that the person is doing. If that person is, for instance, our expert on building technology or our construction manager, definitely he or she has to take these issues into account in his or her own actions. And then such a person will be evaluated according to that.* (Human Resources and Development Director)

Regarding *rewards and compensation*, the company had internal scorecards that paid out according to how well the employees had performed against their individual targets and the difficulty of the job in question. There were two viewpoints on these scorecards in relation to motivation. First, it was considered that these scorecards were not very effective in motivating towards sustainability, as people should, after they had seen the "light" of sustainability, be motivated by the mere idea of sustainability. Being motivated by compensation to approach sustainability was termed an "unhealthy" way of thinking. The following quote exemplifies this first viewpoint.

> *Well, I can't say that it directly…, it is such an issue that has more to do with the company's and the employee's identity that is encouraged by increasing learning, understanding, seeing the big picture rather than that you would be directly rewarded for it. It is like a question about whether we feel responsible only for ourselves or also for others. I would see it in such a way that as we are working in a state-owned enterprise, our ideal identity would be to feel as employees that we are also responsible for others. And I think that would not be increased through scorecards or the like. If you do not have such a feeling yourself, I do not believe that you really could be influenced that way. Instead, it happens by changing behavior and attitudes.* (Head of the Controller Team)

Second, there were claims that such compensation systems were very effective in motivating people personally towards sustainability, aligning employees' monetary interests with sustainability. The following quote illustrates this.

> *Money always motivates and those spheres that have been put [on the scorecard] to be followed and as the basis for rewarding, well, they will be paid attention to in one's own work towards the end of the year and [then] you increasingly think what kinds of issues you have achieved that can be reported.* (Former CEO)

Moreover, there were separate compensation systems directed towards the stakeholders. One of them was termed a reward-sanction model and it was meant for the service and materials providers; if they obeyed the rules set by SusPac, they would receive rewards, but if, for example, in the regular inspections by SusPac they were found to be employing illegal immigrants on construction sites, they would have to pay sanctions. The "user-electricity" projects where users and customers were rewarded based on their energy savings, were also an example of more explicit rewarding. One more system was the Green Lease model, which meant that whenever the real estate tenants or service companies were saving energy, they would be compensated for these savings in terms of reductions in the tenants' lease payments or increases in payments to service companies. Thus customers and service providers were also controlled or influenced through the sustainability theme; for example, customers were encouraged to turn off the lights when not needed or to avoid unnecessary heating. The quote below refers to the Green Lease.

> *[SusPac] has gone far in developing [the sustainability-related systems]. Probably the Green Lease model in lease agreements, so, such calculative measures that are defined in lease agreements that if the ventilation equipment starts working after 5 p.m. the tenants will pay the costs although SusPac otherwise pays the costs during working hours. Thus, the responsibility will be shared with the users, [extended] to*

> *those able to affect the efficiency of energy management.* (Competitor representative, former employee)

Employees are usually easier to control directly with a given control package than outsiders. Sustainability seemed to be a moral way to control outsiders, and thus perhaps more effective than traditional ways such as quality control. It could encourage the moral agency of the stakeholders in question, thus making such people their own moral guardians; thereby also providing intrinsic rewards for the persons involved. Stakeholders also acknowledged these efforts and felt that SusPac influenced the actions of these stakeholders. The following quote reproduces discussion on this issue from the point of view of a service and materials provider.

> *I think that we have been taking the first steps [in real cooperation between SusPac and its partner network], well, like today [we and SusPac representatives] were discussing some security issue that I see as being a very essential part of sustainability… Because of SusPac's large scale there is much to think about there. However, we are now finding these kinds of "pain spots" that SusPac, too, has clearly recognized, perhaps they may be managed well in SusPac, but here in the network they are not yet so well managed… But the direction is good.* (Service and materials provider)

The *administrative controls* include governance structure, organization structure, and policies and procedures. Out of these, the governance structure seemed to tie in with sustainability as state ownership was pointed out as encouraging towards sustainability in two ways. Firstly, this state ownership guaranteed that SusPac could not go bankrupt and thus did not have to face immediate profit-related pressures on a similar scale to privately owned companies. Secondly, state ownership overall pointed towards the importance of a form of a "common good"; employees of the state were seen to be working for the benefit of society and taxpayers as a whole. It was often implied that the lowering of state real estate costs would manifest directly in a reduction in taxes payable. The quote below elaborates on certain specific ways in which SusPac's association with the state was perceived to contribute to the well-being of society at large.

> *When it comes to regulation, SusPac has such a role that, it is [regarding] almost any law or any permission, and as laws are enacted in the construction industry, we will be asked to issue a statement or employees will be used there. Just now one European Union directive on energy efficiency is being prepared with great intensity, its implementation in Finland et cetera. So, our tasks include participation in this kind of statute preparation, commentary, reflection… One of my significant duties is to co-operate with the people in the Ministry of Finance concerning the real estate strategy, I hope we will have the State Real Estate Strategy finalized by the Council of State this year. … Parliament asks us to participate regularly in different kinds of future scenario work and everything else in relation to enhancing the image of Finland et cetera when it relates to the construction industry.* (Chief Operating Officer)

Moreover, the ruling clan held many positions close to the top of the organization structure and thus could effectively control and direct at least the formal sustainability discourse. Furthermore, the organization structure was molded in such a way that the person responsible for sustainability was simultaneously the director of the "operational unit" (containing all of the relevant operations of the company, excluding property sales) and a highly influential member of the executive team, a stand-in for the CEO; the purpose of this arrangement was the inclusion of sustainability effectively and seamlessly, without exceptions, in all operations of SusPac (Appendix D describes the organization structure). This Chief Operating Officer himself explained that often in companies the CSR

directorship had been delegated to separate functions such as strategic planning, but in this company, it was formally at the very forefront of the core operations.

There were many policies and procedures in use in relation to personnel recruitment, investments, and the implementation of services. There were several operational processes that were defined in the company, and within each process definition sustainability was reportedly taken into account. In addition, at SusPac, there were norms, procedures, and contract models meant, for example, to combat the gray economy. The quote below describes the role of SusPac in implementing the European Union standards in Finland as localized norms in the context of both their own buildings and the buildings of other real estate actors.

> *So, SusPac has a clear duty to take into account those principles, norms and standards coming from the European Union in this field. So, it is one aspect in this centralized real estate management that you can take such principles forward in a quite good and controlled manner. If you had to decentralize the implementation here and there, the final results would probably be much more modest.* (Representative of the Ministry of Finance)

The benefits of such a control package have thus been outlined above. It assists in controlling employees and stakeholders whose control otherwise might be beyond the reach of company executives. Even customers can be influenced in this way. It is notable that sustainability was even more effectively than a traditional control package aimed at achieving organizational objectives in providing premises and services for customers: sustainability was to a certain extent used to change the requirements by customers towards more sustainable directions (i.e. less space used) and to alter the general building industry in Finland as SusPac functioned as the state's advisor regarding industry-related issues. As the operating environment of the organization was altered in this way, it potentially made the achievement of organizational objectives easier; for example, if customers became convinced of the necessity of "multi-space work environment", SusPac would have less difficulties in changing the layouts of the customers' offices.

4.2 Stakeholder needs and the associated need for the external control package

However, surprisingly, considering the width and depth of this control package, the difficulty with the package use was that alternative definitions of or ways towards sustainability were still not appreciated. The following text shows first the kinds of limitations that the control package was subject to, which related to (a) the industry, (b) the company, and (c) the control package as such, and then the specific perspectives that went unacknowledged due to these limitations: (1) the focus on the wider societal, (2) the focus on the wider environmental, (3) demanding contradictions, and (4) excessive simplification and reduction to financial concerns. It appeared that the lack of wider concerns on the society (1) and the planet (2) were related to the limitations tied to the more general industry (a) and company (b) perspectives, reinforced indirectly by the control package (c), and the contradictions (3) and the simplification (4) were more directly tied to the limitations of the control package as such (c). These issues are summarized in Table 1 and further discussed below.

Forms of limitations	*Industry (a) & Company (b) perspective*	*Control package (c) perspective*
Missing perspectives	Society-level needs (1)	Contradictions (3)
	Planet-level needs (2)	Simplification reduced to financial concerns (4)

Table 1. The forms of limitations of the control package approach towards external stakeholders and the associated perspectives promoted by these stakeholders missing from the control package approach.

It appeared that SusPac was so focused on its specific emphasis and industry, the buildings, that it did not pay attention to sustainability-related areas outside this focus, areas that could still be employed in relation to buildings. The following quote exemplifies this in the context of renewable energy.

> *I wish that SusPac as a state [representative], as a collective actor of all of us were more progressive. For instance, it could use renewable energy. And it could [be seen to] use renewable energy... So that there could be solar panels or some small wind farms or earth heating or such… It could use them because they are future energy sources. [And SusPac could say that] "here is this, we use energy from renewable sources here". Why not start now? As we have such technology available.* (Environmental Organization representative)

The company-related focus can be seen as follows. A customer representative explained that the attitude taken by SusPac representatives often seemed to be rather arrogant in that although they might ask the opinion of the customer, they themselves actually felt that they knew all the (right) answers before asking. Another customer representative felt that the company had the habit of telling its customers in advance which kinds of premises were good for that customer, without first paying attention to the customer's specific needs. The origin of this approach, he claimed, was the Government Premises Strategy that aimed to guide and determine, via premises, customers' resource use and, at the extreme, the contents of customers' operations – an approach he criticized as being the opposite of the normal one of premises being meant to help customers' operations. A representative of the service and materials providers claimed that the issues implemented by SusPac seemed to have a SusPac point of view, first and foremost, not the point of view of its stakeholders, as follows.

> *I think that [the way to develop sustainability] should be such that the partner network is taken into account in some way. Currently this has been done in a very SusPac-centered way. Of course source information is collected from many points and many partners produce these data. What I think about this development…, in my view, the next step would be to take along the network organizations and to think about the longer term aims together.* (Service and materials provider)

Many customers and company representatives mentioned that customers complained about expensive leases. In line with this, for example, one stakeholder representative criticized the advertisement video by SusPac portraying its CEO as a kind of James Bond (this was the exact name used by the representative) with an impressive suit and appropriate music while the less "stylish" customers suffered from rising lease costs and the very mundane and practical daily needs for more space. In the opinion of this stakeholder, SusPac was more interested in its own public image than in truly helping its customers.

Sustainability was typically defined at SusPac in relation to the future, not the present. This may have sometimes created a gap between SusPac and its customers. It was noted that while customers, for example state agencies, could be living in a budget economy in which one year was a vital period, SusPac had to consider the life cycles of buildings for many years ahead. This tied in with the need to look after the national property for years to come and to avoid the "opportunistic" actions typical of private real estate investors. The perspective of the state was seen as supportive of thinking about the interests of the future generations.

The control package, not necessarily the stakeholder needs, defined sustainability for company representatives; sustainability was seen, for example, in company values, cybernetic systems, and rewards – but not necessarily in the perspectives of stakeholders. This was seen in stakeholder commentary. A stakeholder representative felt that it was obvious that SusPac representatives paid attention to certain predefined issues, and perceived that these specific focuses could most likely be explained by the presence of these specific issues on the scorecards of SusPac employees.

It appeared that sustainability-related issues that did not seem to fit the focus on the industry and the company itself were not considered, although stakeholders might bring these up. Wider society-level needs exemplify these issues. For example, service and materials providers often seemed to think that SusPac should participate more effectively in public discussion on how sustainability could be enhanced even more effectively in the building industry, plagued by disorder and unsustainable, even hazardous practices. A representative of these stakeholders talked a lot about the need to market the idea of sustainability more widely in society, to make it more known and appreciated. Another stakeholder representative recommended SusPac to have a greater impact on the state and its decisions about regulations and standards in the sphere of energy efficiency:

> *I wish that [SusPac] could itself even more powerfully be in charge of this kind of sustainability before anything. It has happened that if certain targets on energy consumption have been set, which in practice mean demolishing or completely reconstructing buildings, it can certainly be a wise solution from an energy consumption perspective, but then again, on the other hand, as it comes down to being a substantial waste of other resources… This seems to be the case, at least if it is not such a situation that it is necessary for health-related reasons.* (Service and materials provider)

Sustainability was also seen in terms of the wider concerns of the environment and the planet. These kinds of issues were rarely mentioned at a practical level in the case company. The following quote illustrates these types of concerns by a stakeholder.

> *We talk about this kind of a "one planet idea". So that sustainable development means that we have one planet where the environment and mankind are in balance. And then we have managed to create such processes and ways of operating that whatever we have available, it will be shared as fairly as possible among all of us. And in that way it brings as much equitable welfare to everybody as possible. So, that is sustainable development, we should go in that direction.* (Environmental Organization representative)

It was also difficult at SusPac to address themes that were so complex that the sustainability theme –related control package alone could not provide an answer to them – contradictions between issues that were each sustainable in their own ways exemplify this concern. The following quote illustrates these contradictions in terms of, on the one hand, efficient use of space and, on the other hand, customer-specific needs.

> *If we think about the National Board of Antiquities and Historical Monuments, we have a lot of that kind of space from which it is difficult to gain profitable square meters. In the National Museum and in art museums. And if we have a collection warehouse and then we start looking at the proportion of staff to space, to surface area, in that case it is really about as bad as bad gets. But all this can be explained and you should accept this variation that is partly based on the nature of the organizations, and partly on the history and usage ratio of these premises.* (Customer)

So, several stakeholders seemed to subscribe to definitions of sustainability that differed from those of SusPac representatives. A stakeholder representative talked about his worries in relation to the cultural environment in terms of buildings, for example in relation to building restoration and conservation tasks. This cultural dimension was receiving, in his opinion, limited attention at SusPac. He also mentioned the danger that SusPac was interested in rather simplified issues reducible to financial concerns, and wider spheres were considered more of a distraction from organizational sleekness. The quote below illustrates such worries.

> *If I listen to the worries of my own staff, well, they think that [in the local organizations at SusPac] knowledge is thinner and narrower [than in its line organization]. And [this knowledge] concentrates on that kind of technical real estate management where neither these cultural historic values nor perhaps other values have meaning at a practical level. They just, particularly, try to manage financially as smartly and advantageously as possible. And it is of course rational, it is a good objective, but it seems that there are these worries.* (Customer)

Stakeholders also raised more universal issues than only those related to general management, the construction industry, and real estate. They talked about the importance of values and culture at a very general level. It was also said that for architects, the most important issue can simply be "immortality" in terms of the buildings designed by them lasting for centuries and centuries into the future. Issues such as these would have been very difficult to accommodate into the business- and control-oriented sphere of the control package. The quote below illustrates these kinds of wider values.

> *The National Board of Antiquities and Historical Monuments is in its planning and reactions to the operating environment perhaps not quite as long-term oriented as it should be. But again there, behind that, at the level of the value background, we are, I would guess, impressively much more long-term oriented than SusPac. I suppose that people do not even realize how long they have been bullied with these [building] protection issues. Or they have never been "bullied" [because the intention is good]. So, that activity really has fantastically long roots.* (Customer)

The lack of other perspectives at SusPac could be traced back to its primary goal of serving the state, its owner, and the representatives of the state, its customers. Although sustainability was an important issue in the organization, it was still only a means to this end – not an end in itself. SusPac representatives felt that they were gaining legitimacy in their operating environment and from their owner, the state, when they were focusing on an undeniably important issue, that of sustainability. The state representatives as owners were more appreciated by SusPac employees than customers and service and materials providers. The state was perceived as seeing a holistic picture in relation to sustainability, as described below.

> *I am just thinking, for instance, that we have actually never come into conflict with our owner if our financial results have remained somewhat worse for some reason, if it clearly serves some socially responsible activity. This is perhaps not the case in*

business life, where it could be that euro-related issues are always taken to the front line. We have, for instance, this year and last year invested in [solving] indoor air problems and such issues, we have clearly increased monetary investment there although it makes our results worse — and our owner has had nothing against that. We have reached a consensus on these targets. (CFO)

4.3 The external control package

How could these stakeholder concerns be integrated into the company's control package? An approach advocated here is to take up another control package, an external control package, which complements the internal control package. As the purpose of the internal control package is to direct employees towards the organizational goals, the purpose of the external control package would be to direct the employees – and the stakeholders – towards the stakeholders' goals. This could assist the company in paying more altruistic and emphatic attention to stakeholders' needs and their definitions of sustainability. Stakeholders' concerns could be taken more seriously if they were included in a control package, albeit an external one, gaining legitimacy in the process.

The external control package could be organized as follows. It could include specific stakeholder needs, related to the society and the planet widely. In addition, financial concerns could be included for completeness. Two parts of additional considerations could also be included: (1) contradictions between varying sustainability issues and the actions taken in order to conclude on how such contradictions could be settled, and (2) expected simplification originating from purely financial concerns and actions taken in order to diminish the risks resulting from this simplification. Table 2 outlines the control package and its elements. This is directly based on the parts of Table 1 on missing perspectives, with the financial needs added.

Goals	*Additional considerations*	*Specific actions connected with goals and additional considerations*	*Examples of controls inducing the required actions*
Society-level needs, listed by stakeholder	-	Building conservation; preparation for the values to be held by future generations	Clans, values, symbols
Planet-level needs, listed by stakeholder	-	The use of renewable energy in buildings	Cybernetic controls, reward and compensation systems
Financial needs, listed by stakeholder	-	The consideration and analysis of the financial situation of stakeholders	Planning, policies and procedures
-	**Contradictions** between different sustainability-related issues and the actions taken in order to reach settlements on such contradictions	Customers' space requirements vs. the need to save space: explicate to customers the specific energy consumption associated with different premises and the implications for the future generations, negotiate with customers	Cybernetic controls, values, planning, policies and procedures
-	**Simplification** to financial concerns: specific examples on issues in which such risks exist and the actions taken to mitigate the risks	The need to save space vs. the need to maintain valuable buildings for the future: present the value of the buildings from many different angles in addition to the financial value	Cybernetic controls, values, symbols, planning, policies and procedures, reward and compensation systems

Table 2. A model for an external control package: goals, other considerations, required actions and associated controls. The presented controls exemplify potential controls and have been inspired by the empirical data.

This external control package is not without its problems. First, it can suffer from similar issues as the internal one: if the matters are excessively simplified and reduced to measureable and quantifiable entities, the external control package may not result in any significant extension of sustainability. Second, multiple stakeholders do stand for multiple points of view and thus it is difficult to design the external control package as a reflection of certain predefined overarching concerns and goals by stakeholders – these concerns are too multiple. However, the external scorecard could be used to explicitly show the different goals of the stakeholders and the explicit tasks that would be required from company employees to reach these goals. The goals, thus visible, can be compared and prioritized, the process of which itself gives company representatives wider understanding on the field of stakeholders they face. Moreover, when a stakeholder goal is made an explicit employee goal, it can become a powerful incentive for the employee.

It could be claimed that the external control package is not a control package at all, but mainly a listing of stakeholder needs. However, the important issue about the external control package is that

with its help the external needs can very concretely be tied with internal controls – if the external control package stays only as a listing of needs, there is nothing novel in it. For example, regarding difficult contradictions, it can be said that when these contradictions are spelled out, their understanding and eventual management becomes easier. In Table 2, it is suggested that cybernetic controls, values, planning, and policies and procedures could be used to encourage this, as follows. Employees can be measured (cybernetic control) based on how many contradictions they have elaborated and how extensively they have done this. Company values could be altered to encourage the process of locating and detailing these contradictions. Similarly, in planning, these contradictions could be taken into account and their settlement could be planned for; thus, planning could be a relevant control here. Policies and procedures can also be used to give guidelines on the exact processes that should be followed when elaborating on these contradictions, extending even to stakeholders as to how they should report on their goals and interests.

5 Discussion and conclusions

The study has shown that the control package (Malmi and Brown 2008; Otley, 1980) can be seen as reflecting one selected theme only; cultural control, planning, cybernetic controls, rewards and compensation, and administrative controls thus become reflective of that same theme. It facilitates the focus on the selected theme in its entirety, in this case "sustainability", instead of the focus on selected measures only (Dillard 2008; Lamberton 2005). Sustainability is no longer present only in individual measures but within the overall reality of the organization.

Developing pragmatic tools for sustainability accounting seems to be a real challenge. To date it appears that no clear approach to sustainability accounting has emerged from corporate practices (Schaltegger and Burritt 2010). Burritt and Schaltegger (2010, 833) suggest designing sustainability information management along with its ties to strategy with tools such as the sustainability balanced scorecard, eco-control (Henri and Journeault 2010) or sustainability management control (Ball and Milne 2004). The present study shows another way for this through the use of "sustainability" as the pervasive theme of a control package.

Sustainability formed an entire control package (Malmi and Brown 2008; Otley, 1980) which facilitated its comprehensive use at SusPac. Cultural control was exhibited by the leading clan of executives in the company, company values were seen in the form of sustainability-oriented culture, the company employed recruitment and training procedures in which sustainability was emphasized, and symbols such as screens which assisted in monitoring vital performance measures related to sustainability were used. Long-term and short-term planning were also intended to assist in reaching sustainable performance, short-term planning regarding issues of immediate relevance and long-term strategic and other matters related to the farther future. Cybernetic systems in the company included budgets and financial as well as non-financial measures, although there was some variation as to whether all measures or only some of them were considered sustainability-related. Economic, social, and environmental measures, according to GRI, were recognized in performance measures. Reward and compensation systems were acknowledged to be tied in with sustainability-related performance measures. Of the administrative controls, governance structure was seen in the state ownership and its implications for sustainability, organization structure was experienced in the support sustainability received from the top of the organization, and policies and procedures were in place regarding many company processes in order to ensure the sustainability of these processes.

The control package could be used to control not only company employees but also stakeholders, the entire network of organizations of which the focal company was a part. Surprisingly, this theme was seen to give the company some control over its customers; they could be required to move to

smaller premises in order to save electricity and other real estate expenses. The control package became totalizing in the sense that even those stakeholders, customers, who have usually been considered to function with the company on their own terms, could be more effectively controlled by the company. This situation was, of course, partly specific to the state ownership and the special role of the company in the economy and society.

The main benefit from using sustainability in this way was that it was a fairly coherent package throughout the organization and even within the network in which the organization functioned. To some extent, SusPac had come to be seen as the flagship of sustainability and morality in its network, thereby strengthening its position. Gray et al. (2013) posit that sustainability could be utilized to gain social control over employees, and the present study has shown that the effect can even be extended to outsider stakeholders.

The formal definition of what sustainability entailed had thus spread almost everywhere in the organization. Based on the control package which was perceived as "full" and "all-encompassing", company representatives "knew" what was subsumed under sustainability within the company. Sustainability was defined by the control package, it was in the values, symbols, planning, cybernetic controls, reward systems, and administration of the organization; it was organization-centered and control-centered. Company executives and other employees often took for granted that "of course" the company was sustainable in all possible ways, albeit there were different perspectives on this among the stakeholders.

The study has shown how sustainability accounting (Burritt and Schaltegger 2010; Lamberton 2005) can be used to focus organizations on sustainability when this accounting forms a part of an all-encompassing control package. However, this approach is not without its problems (Bebbington 1997), as becomes clear from the current paper. Even when sustainability accounting is based on a fundamentally totalizing way of controlling and accounting for sustainability (Schaltegger and Burritt 2010), certain problems emerge due to the business-related straightforward approach of accounting and control.

The company focused on itself and on its own industry, partly as a result of the control package. Other ways of defining sustainability in relation to wider societal needs and the Planet Earth were not utilized. Because the control package did not include a component on how the company could influence society at large and difficult society-wide conflicts, this potential could be ignored. Similarly, as the company and its control were focused on buildings, issues that seemed at first unrelated to buildings were paid less attention to.

The control package itself also more directly funneled company representatives towards given issues in the package. Conflicts in relation to sustainability not acknowledged in the control package received less emphasis. The content of "sustainability" became oversimplified: because the control package was a rather straightforward management tool meant to direct people towards the achievement of organizational goals, it did not take into account everlasting, deeper-level and idealistic views on sustainability.

This overarching control package theme can thus be restrictive if it becomes the hegemonic theme of the entire organization and no other, possibly deviating themes, are paid any attention. The theme potentially restricts itself and the organization, and it is problematic to deal with issues that seem to not fit the theme. There is also the danger here that the theme selected becomes more assumed that actually controlled, as its presence becomes taken for granted. The views of company representatives, and the control package itself, can begin to direct and define the content of the term "sustainability", not the views of stakeholders, although the importance of stakeholders has been

underlined in the sustainability literature and in the management literature in general (Freeman 1984; Freeman et al. 2010; Post et al. 2002; Schaltegger and Burritt 2010).

The customers seemed to feel that leases were costly and that the customers' views went unheeded. On the other hand, customers seemed to present contradictory requirements – they had nothing in general against sustainability but simultaneously they were not eager to alter their own office arrangements to save energy and space. Moreover, while customers seemed to talk in the frame of reference of annual budgets, SusPac representatives preferred to express themselves in terms of years and decades into the future. Customers also felt that the attitude of SusPac employees was sometimes rather arrogant and self-satisfied, as well as reflecting a focus on certain details, excluding others. All this gave rise to irreconcilable views between these two parties. The "truth" about sustainability seemed to be more complex than the SusPac representatives were prepared to admit. However, the "truth" regarding sustainability among stakeholders also seemed very partial; they often seemed interested in issues from their own specific points of view, not from a more general angle. The contests between these different truths, however, were not played out because the control package directed the company to its own truth, not acknowledging other formats of truth. Any deeper-level conflicts between different versions of truth were thus ignored.

There is thus a danger of sustainability, as defined by the leading clan of the company, being used for controlling stakeholders in ways that are not necessarily consonant with the original ideas and the meaning of "sustainability", but decided by the clan for its own purposes. Sustainability is then perhaps no longer used for its own sake, but for the sake of the success of the company in its control over its employees and outside stakeholders. When sustainability becomes synonymous with "control", the positive implication can be that sustainability can assume a novel meaning as a serious endeavor. However, the idea of "control" can also make sustainability synonymous with control with its less than beneficial connotations, particularly tied with coercive control and its associated tendency to encourage obedience to rigid predefined rules in order to reach a certain predefined goal such as sustainability (Adler and Borys 1996; Ahrens and Chapman 2004; Naranjo-Gil and Hartmann 2006). Flexibility (Jørgensen and Messner 2009; Wouters and Roijmans 2011) to deviate from predefined processes may not be encouraged, although this could be valuable in many situations in order to reach sustainability.

In order to more effectively and explicitly consider stakeholder needs, an external control package has been proposed in this study. How do the external (Table 2) and internal (Appendix A) control packages differ? The internal control package is predominantly a listing of different controls arranged in tandem with each other so that similar controls are organized together. The approach in the internal control package is to connect the mission/vision/values, objectives, and strategies to controls – albeit the internal control package, naturally, focuses on controls. The external control package, on the other hand, requires the analysis of more explicit stakeholder objectives, and the associated necessary actions from focal company representatives, in order to function. These stakeholder objectives are the key here and the external control package then connects these with necessary actions and controls. Thus, the external control package, by design, requires more than the listing of controls: in order to determine which types of controls are necessary, it is vital to extensively study and understand the stakeholder needs first – this step is unnecessary in the case of the traditional control package as the goal there is simply the organizational goal.

It is also possible that stakeholder goals can contradict organizational goals and the controls in the two packages could thus become misaligned. The use of the external control package thus requires the simultaneous analysis of both of the packages. Any contradictions should be elaborated on and explicitly solved. If the internal and the external control package are kept separate, this results in the internal MCS and the external stakeholder issues remaining unintegrated, a problem recognized as

salient in prior research (Durden, 2008; Gond et al., 2012); thus the integration of the different kinds of controls is vital. The external control package allows for this integration as it explicitly takes a stand toward specific management controls to be employed.

The external control package could be integrated to the more general template given by Durden (2008), focusing on how the stakeholder needs can specifically be considered. The present paper also relates to several innovative concepts outlining stakeholders, such as the performance prism (Neely et al. 2002) or the sustainability clover (Bonacchi and Rinaldi, 2007), providing more practice-oriented support for these conceptualizations on how to connect different measures and stakeholders together in the overall organizational constellation, and holding the potential for making the goals of stakeholders the goals of organizational members on a practical level. It should also be noted that the external control package relates to e.g. sustainability balanced scorecard and eco-control (Henri and Journeault 2010) in the way that these are individual controls which the external control package is expected to encompass.

The "external" control package clearly brings to mind the possibility of controlling and impacting stakeholders, both for the benefit of the focal company and of society as a whole. The company in the present study has taken such an approach even with its existing control package. This idea forms an avenue through which the control package can be further developed: consideration can be given to those controls that can be directed towards stakeholders. As an ideal arrangement, this would mean that a given company functions as a diverse conduit through which different stakeholder and company needs circulate and are controlled and directed towards goals that are negotiated as acceptable from the point of view of all involved.

The case organization in this study was 100% state-owned. Could the ideas presented here be applicable to other organizations such as for-profit companies or publicly held companies listed on an exchange? Because the deeper understanding of stakeholder needs, in principle, can be assumed to assist any organization, it is very likely that these other kinds of companies than the present case company could find the external control package concept helpful. Moreover, explicitly underlining the contradictions between different stakeholder needs and the basis on which these contradictions could be solved, as well as explicitly noting how the simplification and reductionism inherent in purely financial concerns can be avoided, could help many organizations in gaining legitimacy in their fields of operations. Furthermore, the acknowledgement of the potential of a control package to impact stakeholders could be beneficial for organizations.

The issues discussed here can be extended outside the issue of "sustainability". Other similar overarching themes, such as "quality", "lean", "efficiency", and "speed" could be seen as control packages in case the controls employed in the organization are consistent with this theme and the theme is intended to be present "in everything the organization does". The issue being an overarching theme for the control package does not exclude its use as an organizational objective or a strategy, as has been explicated before; rather, once a given theme is, for example, both a strategy and a control package, its use could even more effectively pierce the entire organization.

Future research avenues could be directed towards discovering which other themes, in addition to sustainability, could be seen as forming an internal or an external control package, and how these different control packages could be made to "work" in different settings. Moreover, it would be relevant to further investigate the unexpected consequences of such a control package: does it mean that the theme is defined by company representatives, ignoring stakeholder views? Does it funnel the employees of a given company through excessively restricted paths based on one truth and one truth only?

References

Abernethy, M.A., Chua, W.F. 1996. A Field Study of Control System "Redesign": The Impact of Institutional Processes on Strategic Choice. *Contemporary Accounting Research* 13(2): 569-606.

Adams, C., and Narayanan, V. 2007. The standardisation of sustainability reporting. In: Bebbington, J., J. Unerman, and B. O'Dwyer (Eds.) 71-85. *Sustainability Accounting and Accountability*. London: Routledge.

Adler, P. S., and Borys, B. 1996. Two types of bureaucracy: Enabling and coercive. *Administrative Science Quarterly* 41: 61-89.

Ahrens, T., and Chapman, C.S.. 2004. Accounting for flexibility and efficiency: A field study of management control systems in a restaurant chain. *Contemporary Accounting Research* 21(2): 271-301.

Alvesson, M., and Kärreman, D. 2004. Interfaces of control. Technocratic and socio-ideological control in a global management consultancy firm. *Accounting, Organizations and Society* 29: 423-444.

Aras, G., and Crowther, D. 2009. Corporate sustainability reporting: a study in disingenuity? *Journal of Business Ethics Supplement* 87: 279-288.

Ball, A. and Milne, M.J. 2004. Sustainability and management control. In: Berry, A.J., Broadbent,J. and Otley D. (Eds.), *Management Control. Theories, Issues and Performance*. 2nd edition. New York, NY: Palgrave Macmillan.

Bansal, P. 2005. Evolving sustainability: A longitudinal study of corporate sustainable development. *Strategic Management Journal* 26: 197-218.

Bebbington, J. 1997. Engagement, education and sustainability: A review essay on environment accounting. *Accounting, Auditing and Accountability Journal* 10: 365-381.

Bebbington, J. 2009. Measuring sustainable development performance: Possibilities and Issues. *Accounting Forum* 33: 189-193.

Bonacchi, M., and Rinaldi, L. 2007. Dartboards and clovers as new tools in sustainability planning and control. *Business Strategy and the Environment* 16: 461-473.

Burritt, R.L. 2004. Environmental management accounting: Roadblocks on the way to the green and pleasant land. *Business Strategy and the Environment* 13 (1): 13-22.

Burritt, R. L. 2012. Environmental performance accountability: planet, people, profits. *Accounting, Auditing & Accountability Journal* 25 (2): 370-405.

Burritt, R.L., and Schaltegger, S. 2010. Sustainability accounting and reporting: fad or trend? *Accounting, Auditing & Accountability Journal* 23 (7): 829-846.

Caglio, A., and Ditillo, A. 2012. Beyond the "ideal": Exploring controls in inter-firm settings from a combinatorial perspective. In T. K. Das (Ed.), *Management dynamics in strategic alliances* (pp.117-134). Charlotte, NC: Information Age Publishing.

Carroll, A. B. 1979. A three-dimensional conceptual model of corporate performance. *Academy of Management Review* 4 (4): 497-505.

Chenhall, R. H. 2003. Management control systems design within its organizational context: findings from contingency-based research and directions for the future. *Accounting, Organizations and Society* 28: 127-168.

Collier, P. M. 2005. Entrepreneurial control and the construction of a relevant accounting. *Management Accounting Research* 16: 321-339.

Dillard, J. 2008. An ethic of accountability. *Research on Professional Responsibility and Ethics in Accounting* 13: 1-18.

Ditillo, A., and Lisi, I.E. (2014). Towards a more comprehensive framework for sustainability control systems research. In Martin Freedman, Bikki Jaggi (eds.), *Accounting for the Environment: More Talk and Little Progress* (Advances in Environmental Accounting & Management, Volume 5), Emerald Group Publishing Limited: 23-47.

Durden, C. 2008. Towards a socially responsible management control system. *Accounting, Auditing & Accountability Journal* 21(5): 671-694.

Eisenhardt, K. M. 1985. Control: Organizational and economic approaches. *Management Science* 31 (2): 134-149.

Elkington, J. 1999. Triple bottom-line reporting: Looking for balance. *Australian CPA* (March): 19-21.

Epstein, M. J. 2008. *Making sustainability work: best practices in managing and measuring corporate social, environmental, and economic impacts.* Sheffield, England: Greenleaf Publishing.

Epstein, M. J. and Roy, M.-J. 2001. Sustainability in Action: Identifying and Measuring the Key Performance Drivers. *Long Range Planning* 34: 585-604.

Ferreira, A., Moulang, C., and Hendro, B.. 2010. Environmental management accounting and innovation: an exploratory analysis. *Accounting, Auditing & Accountability Journal* 23 (7): 920-948.

Flamholtz, E., Das, T., and Tsui, A. 1985. Toward an integrative framework of organizational control. *Accounting, Organizations and Society* 10 (1): 35-50.

Frame, B., and Cavanagh, J. 2009. Experiences of sustainability assessment: An awkward adolescence. *Accounting Forum* 33: 195-208.

Freeman, R. E. 1984. *Strategic Management: A stakeholder approach*. Boston: Pitman.

Freeman, R. E., Harrison, J.S., Wicks, A.C., Parmar, B.L. and de Colle, S. 2010. *Stakeholder theory – the state of the art.* Cambridge: Cambridge University Press.

Gond, J.-P., Grubnic, S., Herzig, C., and Moon, J. 2012. Configuring management control systems: Theorizing the integration of strategy and sustainability. *Management Accounting Research* 23: 205-223.

Grabner, I., and Moers, F. 2013. Management control as a system or a package? Conceptual and empirical issues. *Accounting, Organizations and Society* 38: 407-419.

Gray, R. 2010. Is accounting for sustainability actually accounting for sustainability…and how would we know? An exploration of narratives of organisations and the planet. *Accounting, Organizations and Society* 35: 47-62.

Gray, R., and Bebbington, J. 2000. Environmental accounting, managerialism and sustainability: Is the planet safe in the hands of business and accounting? *Advances in Environmental Accounting & Management* 1: 1-44.

Gray, R., Brennan, A. and Malpas, J. 2013. New Accounts: Towards a reframing of social accounting. *Accounting Forum*, in press.

GRI. 2013. Global Reporting Initiative: The G4 sustainability reporting guidelines. https://www.globalreporting.org/reporting/g4/Pages/default.aspx.

Harré, R. 1979. *Social being.* Oxford: Blackwell.

Henri, J-F., and Journeault, M. 2010. Eco-control: The influence of management control syatems on environmental and economic performance. *Accounting, Organizations and Society* 35: 63-80.

Hopwood, A., Unerman, J. and Fries, J. 2010. Introduction to the Accounting for Sustainability Case Studies. In: Hopwood, A., Unerman, J. and Fries, J. (Eds.). 1-28. *Accounting for Sustainability, Practical Insights.* London, UK: Earthscan.

Ittner, C. D., Larcker, D.F. and Meyer, M.W. 2003. Subjectivity and the weighting of performance measures: Evidence from a balanced scorecard. *The Accounting Review* 78 (3): 725-758.

Jørgensen, B., and Messner, M. 2009. Management control in new product development: The dynamics of managing flexibility and efficiency. *Journal of Management Accounting Research* 21: 99-124.

Kennedy, F.A., and Widener, S.K.. 2008. A control framework: Insights from evidence on lean accounting. *Management Accounting Research* 19 (4): 301-323.

Kristensen, T.B., and Israelsen, P. 2014. Performance effects of multiple control forms in a Lean organization: A quantitative case study in a systems fit approach. *Management Accounting Research* 25(1): 45-62.

Lamberton, G. 2005. Sustainability accounting – a brief history and conceptual framework. *Accounting Forum* 29 (1): 7-26.

Langfield-Smith, K. 2008. The relations between transactional characteristics, trust and risk in the start-up phase of a collaborative alliance. *Management Accounting Research* 19 (4): 344-364.

Malmi, T., and Brown, D.A. 2008. Management control systems as a package — Opportunities, challenges and research directions. *Management Accounting Research* 19 (4): 287-300.

Merchant, K.A. 1990. The effects of financial controls on data manipulation and management myopia. *Accounting, Organizations and Society* 15 (4): 297-313.

Merchant, K.A., and Van der Stede, W.A. 2007. *Management control systems.* 2nd edition. Harlow, England: Prentice Hall, Pearson Education Limited.

Milne, M., and Gray, R. 2007. Future prospects for corporate sustainability reporting. In: J. Unerman, Bebbington, J. and O'Dwyer, B. (Eds.). 184-208. *Sustainability accounting and accountability.* London: Routledge.

Naranjo-Gil, D., and F. Hartmann, F. 2006. How top management teams use management accounting systems to implement strategy. *Journal of Management Accounting Research* 18: 21-53.

Neely, A., Adams, C.A., and Kennerley, M. 2002. The performance prism. The scorecard for measuring and managing business success. London: Prentice Hall.

Otley, D.T. 1980. The contingency theory of management accounting: Achievement and prognosis. Accounting, Organizations and Society 5(4): 413-428

Otley, D. 1999. Performance management: a framework for management control systems research. *Management Accounting Research* 10: 363-382.

Ouchi, W.G. 1979. A conceptual framework for the design of organizational control mechanisms. *Management Science* 25 (9): 833-848.

Post, J.E., Preston, L.E. and Sachs, S. 2002. *Redefining the Corporation: Stakeholder Management and Organizational Wealth.* Stanford University Press.

Rubin, J., and Rubin, I.S. 1995. *Qualitative interviewing: the art of hearing data.* Thousand Oaks, CA: Sage Publications.

Russell, S.L., and Thomson, I. 2009. Analysing the role of sustainable development indicators in accounting for and constructing a Sustainable Scotland. *Accounting Forum* 33: 225-244.

Sandelin, M. 2008. Operation of management control practices as a package—A case study on control system variety in a growth firm context. *Management Accounting Research* 19 (4): 324-343.

Schaltegger, S., and Burritt, R.L. 2010. Sustainability accounting for companies: Catchphrase or decision support for business leaders? *Journal of World Business* 45 (4): 375-384.

Simons, R. 1995. Levers of control – How managers use innovative control systems to drive strategic renewal. Boston, MA: Harvard Business School Press.

Songini, L., and Pistoni, A. 2012. Accounting, auditing and control for sustainability. Guest editorial. *Management Accounting Research* 23: 202-204.

Stoecker, R. 1991. Evaluating and rethinking the case study. *Sociological Review* 39(1): 88-112.

Vaivio, J. 2008. Qualitative management accounting research: rationale, pitfalls and potential. *Qualitative Research in Accounting & Management* 5 (1): 64-86.

Van der Stede, W.A. 2000. The relationship between two consequences of budgetary controls: budgetary slack creation and managerial short-term orientation. *Accounting, Organizations and Society* 25: 609-622.

Virtanen, T., Tuomaala, M. and Pentti, E. 2013. Energy efficiency complexities: a technical and managerial investigation. *Management Accounting Research*, 24 (4): 401-416.

WCED. 1987. *Our common future*. World Commission on Environment and Development. Oxford: Oxford University Press.

Windsor, D. 2006. Corporate Social Responsibility: Three Key Approaches. *Journal of Management Studies* 43 (1): 93-114.

Wood, D.J. 1991. Corporate social performance revisited. *Academy of Management Review* 16 (4): 691-718.

Wouters, M., and Roijmans, D. 2011. Using prototypes to induce experimentation and knowledge integration in the development of enabling accounting information. *Contemporary Accounting Research* 28(2): 708-736.

Yin, R.K. 2003. *Case study research: Design and methods.* Thousand Oaks, CA: Sage Publications.

Appendix A

Control package (Malmi and Brown, 2008)

<table>
<tr><td colspan="8">Cultural Controls</td></tr>
<tr><td colspan="2">Clans</td><td colspan="3">Values</td><td colspan="3">Symbols</td></tr>
<tr><td colspan="2">Planning</td><td colspan="4">Cybernetic Controls</td><td rowspan="2">Reward and Compensation</td></tr>
<tr><td>Long range planning</td><td>Action planning</td><td>Budgets</td><td>Financial Measurement Systems</td><td>Non Financial Measurement Systems</td><td>Hybrid Measurement Systems</td></tr>
<tr><td colspan="8">Administrative Controls</td></tr>
<tr><td colspan="2">Governance Structure</td><td colspan="3">Organisation Structure</td><td colspan="3">Policies and Procedures</td></tr>
</table>

Appendix B

Interview outlines

Interviews within the company:

- the meanings of complex terms such as “short term”, “long term”, “the present”, “the future”, and “stakeholders” for the employee

- meaning and importance of “sustainability” for the employee

- the relation of “sustainability” to other complementary terms such as “CSR” and “corporate citizenship”

- meaning of “accountability”

- the history of the implementation of CSR reporting and experiences with it

- current CSR reporting practices

- plans for the development of CSR reporting

- the implementation of sustainability accounting, if any, within the company (its history, current practices and plans for it)

- stakeholder relations

- performance measurement and compensation in relation to sustainability

Interviews with stakeholders:

- the meanings of complex terms such as “sustainability”, “CSR”, “short term” and “long term”, “the present”, and “the future”, as well as “accountability” for the respondent and the relations between these terms

- company relations with stakeholders

- company practices regarding “sustainability”, “CSR”, “short term”, and “long term”

Appendix C

List of interviewees and archival material

Interviews

SusPac, Chief Operating Officer	23.9.2013	2 h 5 min
SusPac, Leading Expert on CSR	3.10.2013	1 h 25 min
SusPac, Communications Director	4.11.2013	1 h 40 min
SusPac, Strategy Director	13.11.2013	1 h 30 min
SusPac, CFO	18.11.2013	1 h 35 min
SusPac, Head of the Controller Team	21.11.2013	1 h 25 min
SusPac, Human Resources and Development Director and Personnel and Development Manager	7.2.2014	1 hour 10 min
SusPac, CEO	28.2.2014	1 hour 25 min
SusPac, Legal Adviser	10.4.2014	1 hour 30 min
SusPac, Investment Director	16.4.2014	1 hour 40 min
SusPac, Legal Director	6.5.2014	1 hour 30 min
SusPac, Regional Manager	17.6.2014	1 hour 30 min
SusPac, Property Manager	23.6.2014	1 hour 35 min
SusPac, Property Manager	18.8.2014	55 min
SusPac, Controller	5.9.2014	1 hour 45 min
SusPac, Property Manager	15.9.2014	45 min
SusPac, Property Manager	19.9.2014	1 hour 5 min
SusPac, Leading Expert in the Offices field	27.10.2014	1 hour
SusPac, Expert on Building Technology	6.11.2014	1 hour
SusPac, Leading Expert on CSR (stand-in for the Expert)	6.11.2014	1 hour 10 min
SusPac, Account Manager	7.11.2014	45 min

SusPac, Former Regional Manager	21.10.2013	1 h 20 min
SusPac, Former CEO	5.3.2014	1 hour 35 min
SusPac, Former Leading Expert on CSR	9.4.2014	1 hour 35 min
SusPac, Former Planning Director	16.5.2014	1 hour 50 min
SusPac, Former CFO	4.6.2014	1 hour 50 min
SusPac, Former Lease Manager	5.6.2014	1 hour 15 min
SusPac, Former Work Environment Specialist	26.6.2014	1 hour 20 min
SusPac, Former CSR and Quality Manager	6.10.2014	1 hour 10 min
SusPac, Member of the Board, CEO of a service provider	27.3.2014	1 hour 35 min
Ministry of Finance, Budget Counsellor	25.2.2014	1 hour 25 min
Ministry of Finance, Consulting Officer	7.3.2014	55 min
Ministry of Finance, Director of the Administrative Governance and Development	24.6.2014	1 hour 10 min
Competitor A, Vice President, Asset Management, former employee	13.2.2014	1 hour 35 min
Competitor B, Regional Manager, former employee	14.2.2014	1 hour 10 min
Service and materials provider A, SusPac Customership Director	28.2.2014	55 min
Service and materials provider B, Project Planning Manager	6.3.2014	1 hour 25 min
Service and materials provider C, Senior Project Manager	4.6.2014	1 hour 5 min
Customer A, Director of Department	5.3.2014	1 hour 30 min
Customer B, Facility Services Manager, former employee	8.4.2014	1 hour 25 min

Customer C, Materials Director, former employee	11.4.2014	1 hour 25 min
Customer D, Real Estate Manager	14.5.2014	1 hour
Customer E, Real Estate Manager, former employee	12.6.2014	1 hour 40 min
Customer F, Manager, former employee	3.11.2014	1 hour
Environmental Organization (NGO) representative, Manager	6.3.2014	1 hour 10 min
Consultant in the CSR project	26.9.2014	1 hour 30 min

Here “former employee” denotes a former employee of SusPac.

Other material

SusPac sustainability reports 2002-2013

Other material from SusPac websites

History of state building works 1811-2011

History of SusPac 1811-2011

Advertisement by SusPac’s “creative premises”

Stakeholder magazines of SusPac

Document of the targets for SusPac for 2014, proposal to the state

Measurement scorecards of selected employees at SusPac

Sustainability reports by SusPac stakeholders

“Responsibility in real estate business”, published by KTI Kiinteistötieto Oy, 2013

“Measures and key ratios for real estate ecological and energy efficiency”, published by KTI Kiinteistötieto Oy, 2011

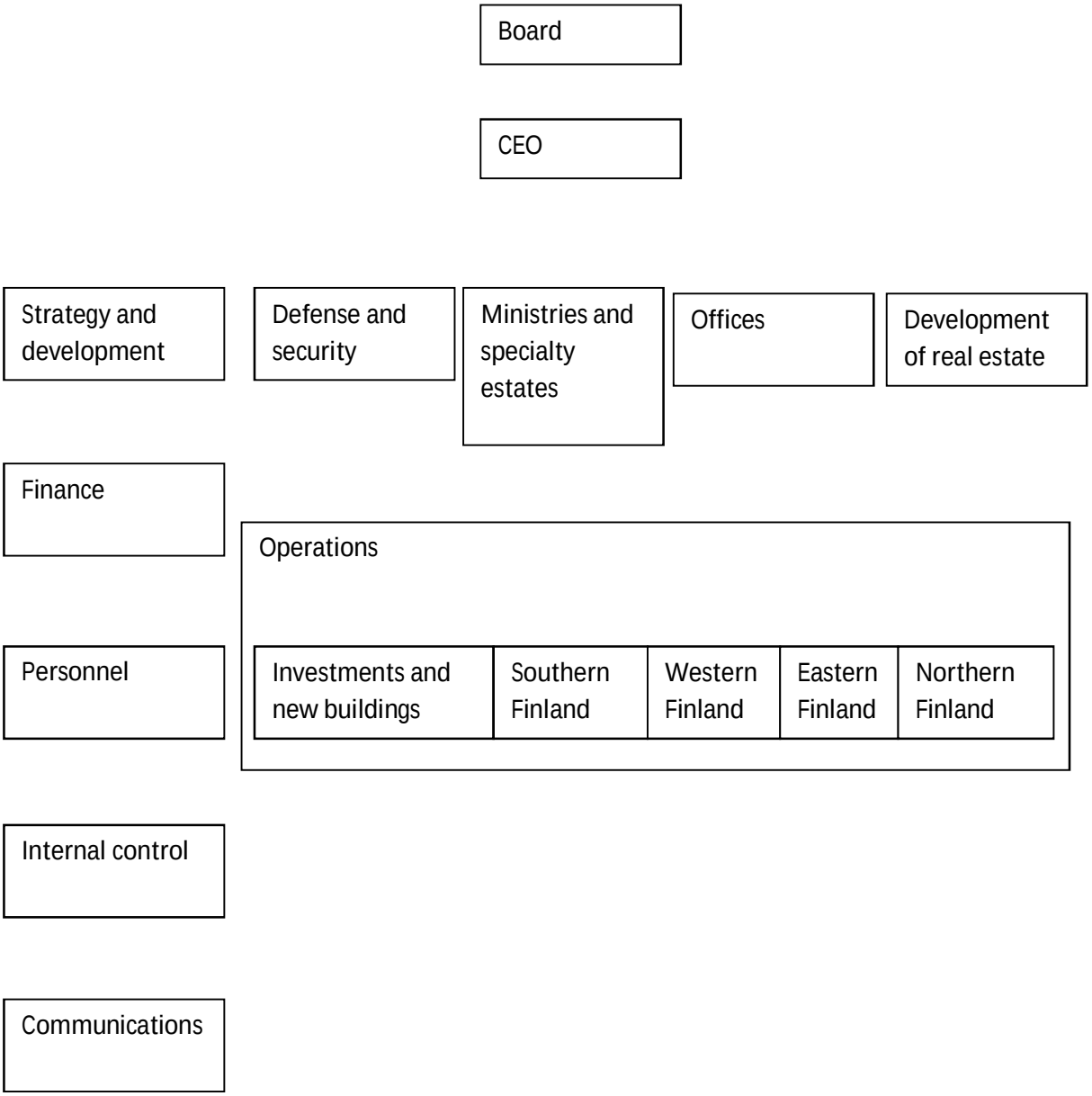
Three National Audit Office’s publications regarding SusPac

The Government Premises Strategy and the State Real Estate Strategy by the Ministry of Finance

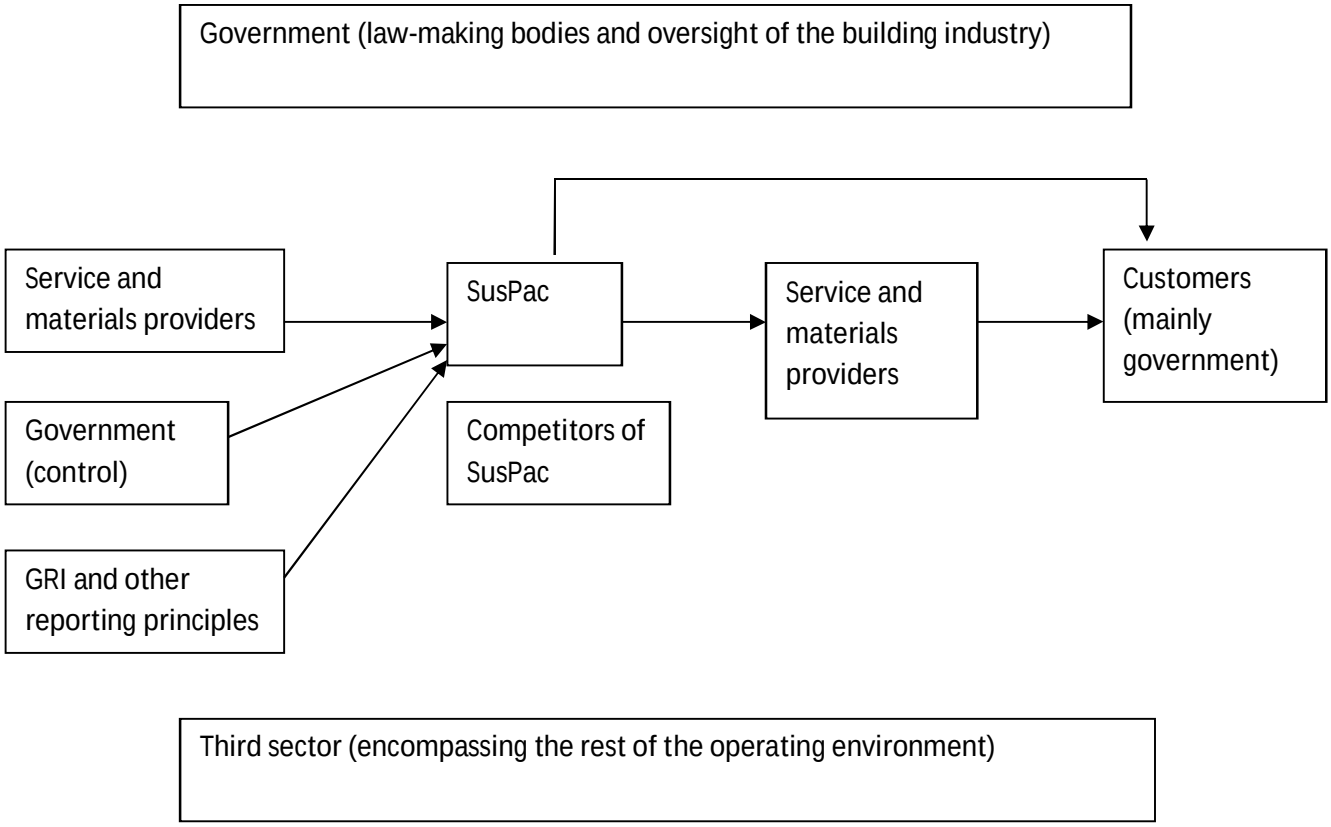
Press coverage of SusPac

Appendix D

Organizational structure



"Specialty estates" refers to real estate with special development and maintenance needs and listed buildings, such as museums, hospitals, research facilities, or the National Opera. "The development of real estate" refers to making alterations to existing buildings in order to sell them or lease them to outsiders.

Appendix E

Company position in its field of operations