

Organizational Culture and Corporate Sustainability: An Exploratory Investigation

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Abstract

Research Question:

How does corporate organizational culture contribute to sustainability challenges?

Theoretical Framework:

The main concept covered is organizational culture (OC). The main theory covered is the stakeholder approach.

Elkington, J. (1999). *Cannibals with Forks: The Triple Bottom Line of Twenty-First Century Business*. Oxford, UK: Capstone.

O'Reilly, C.A., Chatman, J.A., & Caldwell, D. (1991). People and Organizational Culture: A Profile Comparison Approach to Assessing Person-Organization Fit. *Academy of Management Journal*, 34(3), 487–516.

Sull, D., Sull, C., & Chamberlain, A. (2019). Measuring Culture in Leading Companies. MIT Sloan Management Review and Glassdoor, June.

Method:

Our study used the Corporate Knights' overall corporate sustainability (CS) score. Pair-by-pair regression analysis was used to relate those scores to nine OC value scores. To measure CS, we used the Corporate Knights Most Sustainable Corporations Annual List for 2019. The Corporate Knights is a Canadian based media, research and financial information company that has been ranking companies since 2005. To measure OC, we used the OC value scores from the Massachusetts Institute of Technology (MIT)-Sloan Management Review (SMR)/Glassdoor Culture Study. According to Sull *et al.* (2019), their study was developed using a big data approach for the measurement of OC. Their study categorized the firms using an algorithm based on the

Organizational Culture Profile developed by O'Reilly *et al.* (1991). Our project examined between 43 and 58 retail firms.

Findings:

Two of the pair relationships between CS and the nine cultural values were statistically significant. The first relationship was a positive correlation between CS and the OC value “agility sentiment score.” The MIT-Sloan/Glassdoor Study defined agility as follows: “Employees can respond quickly and effectively to changes in the marketplace and seize new opportunities” (Sull *et al.*, 2019, p. 3). This indicates a direct relationship, meaning that more agility was associated with higher CS scores.

The second relationship was a positive correlation between CS and the OC value “innovation sentiment score.” The MIT-Sloan/Glassdoor Study defined innovation as follows: “Company pioneers novel products, services, technologies, or ways of working.” (Sull *et al.*, 2019, p. 3). This indicates a direct relationship, meaning that greater innovation was associated with higher CS scores.