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Narratives of change in Norsk Gjenvinning: A journey towards sustainable waste management

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Master of Science in Leadership and Organizational Psychology

**Narratives of change in Norsk Gjenvinning:
A journey towards sustainable waste management**

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“This thesis is a part of the MSc programme at BI Norwegian Business School. The school takes no responsibility for the methods used, results found and conclusions drawn.”

Contents

CONTENTS	I
ACKNOWLEDGMENTS	II
ABSTRACT.....	1
INTRODUCTION TO THESIS.....	2
1.1 THE NORWEGIAN WASTE MANAGEMENT INDUSTRY	4
1.2 SUSTAINABILITY IN WASTE MANAGEMENT	4
1.3 PRESENTATION OF THE ORGANIZATION	6
1.4 THE JOURNEY OF NORSK GJENVINNING	7
2.0 THEORETICAL BACKGROUND.....	9
2.1 INTRODUCTION TO THEORY	9
2.2 THEORY	9
2.2.1 NARRATIVE OF CHANGE:	9
2.2.2 SUSTAINABILITY:	10
2.2.3 ETHICAL TURNAROUND:	13
2.2.4 COMMUNICATION OF THE CHANGE MESSAGE:	14
2.2.5 CULTURE AND CLIMATE:	15
2.2.6 ORGANIZATIONAL CULTURE AND ORGANIZATIONAL CHANGE:	15
3.0 METHODOLOGY AND DATA COLLECTION.....	17
3.1 INTRODUCTION TO RESEARCH QUESTION	17
3.1.1 RESEARCH QUESTION.....	17
3.2 INTRODUCTION TO METHODOLOGY	18
3.2.1 QUALITATIVE RESEARCH	18
3.2.2 ABDUCTIVE APPROACH	18
3.2.3 PHILOSOPHY OF SCIENCE.....	19
3.2.4 RESEARCH DESIGN.....	19
3.2.5 NARRATIVE ANALYSIS	19
3.2.6 PURPOSE OF STUDY	19
3.2.7 COLLECTION OF DATA.....	21
3.2.8 INTERVIEW GUIDE.....	21
3.2.9 VALIDITY	22
3.2.10 RELIABILITY	23
4.0 FINDINGS.....	23
4.1 INTRODUCTION TO FINDINGS	23
4.2 MAIN FINDINGS.....	24
4.3 NARRATIVES OF CHANGE IN NORSK GJENVINNING	25
5.0 DISCUSSION	38
5.1 INTRODUCTION TO DISCUSSION	38
5.2 GENERAL DISCUSSION	38
6.0 LIMITATIONS AND IMPLICATIONS.....	45
7.0 CONCLUSION.....	47
REFERENCES.....	49
APPENDIX.....	56

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Sustainably yours,

Anne Charlotte Gundersen and Rebecca Emelie Arntsen

Abstract

According to Erik Osmundsen, the CEO of Norsk Gjenvinning (NG), the waste management business is intrinsically a very sustainable industry, but it is operating in a non-sustainable way. Sustainability has become the defining challenge of our time and organizations have taken steps to realize the many benefits that lie within this field. Since the introduction of Altor in 2011, NG has gone through a dramatic turnaround. Altor was aware of some challenges, however, they found that the organization had several unexpected challenges. Together with the new top management they started to focus on the opportunities and challenges within NG. In order for management to understand the needs of the organization, Osmundsen, the new CEO at that time, started a program to eliminate corruption and improve sustainability, i.e. compliance, circular economy, recycling, recovery, and re-use. His commitment, together with rest of the top management, contributed to the facilitation of sustainable implementation and the new identity of NG.

The purpose of this thesis is to investigate NG's journey towards a more sustainable waste management. In order to explore the challenges, changes and outcomes, we conducted a narrative analysis based on stories given about past, present and future events, to compare and investigate the perception of these events within the organization.

We found throughout our research, that there were certain situations and obstacle components, i.e. absence of control and communication, 'unsustainably sustainable', uncertainty and misunderstanding connected to the concept of sustainability, culture conflict and poor managerial control, that may have reduced the effect of the implementations. However, one can find several positive effects due to Osmundsen's proactive leadership, i.e. increased compliance, sustainability, HSSE, rewriting of governmental regulations and laws, cultural change. We argue that our findings may help NG and organizations in similar situations to reduce the complexities that surround ethical turnaround. This may in turn provide a better understanding of efforts to implement sustainable strategies.

Introduction to Thesis

Erik Osmundsen, the CEO of Norsk Gjenvinning (NG), held an interesting presentation at BI Norwegian Business School in the fall of 2016 about ethics and policies within the waste management field entitled ‘Ethics and self-policing in the waste management industry - time for a clean-up!’. This presentation aroused our interest and we began to develop ideas on the subject of waste, sustainability and ethical turnaround.

Throughout the last decade, organizations have become more dedicated to improving their actions towards finding solutions for all the challenges the human race is facing concerning the environment (Paraschiv, Mihai, Nemoianu, Langa, & Szabó, 2012). As a result, the waste management industry is determined to become more sustainable. This can be defined as using material resources efficiently to reduce the amount of waste produced, with the goal to minimize the impact on the environment in socially and environmentally ways for future generations. Several organizations have shifted from merely acknowledging their responsibilities to also comprehending the many potential benefits of corporate sustainability (Bonn & Fisher, 2011). Directing corporate sustainability is “*a strategic profit-driven corporate response to environmental and social issues caused through the organization’s primary and secondary activities*” (Salzmann, Ionescu-Somers, & Stegner, 2005, p. 27). As determined by a large CEO study conducted by Accenture, 89% of the organizations that were asked said that commitment to sustainability is translating into real impact in their industry (Accenture, 2016). Hence, working towards a more sustainable world is not charity, but rather a way for the organization to find a strategic positioning to attain financial payoffs. One can no longer just ask why an organization should focus on sustainability but ask the question ‘how’. How do organizations within the waste management industry become sustainable?

NG is the leading recycling organization in Norway offering a broad range of sustainable waste management services and providing secondary raw materials. “*We believe that the world’s future resource problem can only be solved by real sustainable development and the circular society*” (Norsk Gjenvinning, 2018a). Although the recycling industry is very sustainable in itself and the term sustainable is not something new at NG, it was after the turnaround in 2011 that it

became more important to identify and address all the positive and negative actions within the organization. In addition, it became important to identify the wide range of sustainable services they provide, and to label and identify themselves with their four pillars of sustainability; circular economy, compliance, own footprint, and social responsibility. This makes it easier for all parties involved to understand the goals and the strategies of NG (Norsk Gjenvinning, 2018b).

Now, seven years after the clean-up started in NG, it will be interesting to identify and investigate how the employees perceived the situation as it was in the past, what the present conditions are, and how they picture the future based on their experience from the past. Our interpretation of the turnaround in the organization is that there are conflicting views between the top management and the employees. It will be interesting to study the culture and climate within NG and investigate how it has been affected. We also assume that employees are sharing narratives of how the conditions have been within the organization. In other words, retelling the history and the development of NG throughout the years by identifying the organization's sustainable stories and their vision to turn waste into the solutions for tomorrow's resource problems (Norsk Gjenvinning, 2018c).

For this reason, the aim of our study is to find answers to the following questions:

What are the narratives of change in Norsk Gjenvinning?

To what extent are the narratives of change in Norsk Gjenvinning...: (i) ...optimistic and indicative of a belief that there is a real scope of action for sustainable waste management? (ii) ...oriented towards identity and values, or towards reputational and economic gain? (iii) ...indicative of triple bottom line attitudes? (iiii) ...what are the main ethical dilemmas and challenges facing NG in reaching their goal of becoming a sustainable and clean waste management organization? (v) ...consistent and pervasive throughout the organization?

*“Coming together is a beginning; Keeping together is progress;
Working together is success”*

- Henry Ford, an American captain of industry;
the founder of Ford Motor Company –

1.1 The Norwegian Waste Management Industry

Waste management can be described as the collection, transportation, disposal or recycling and monitoring of waste. The industry is constantly changing due to new technology, environmental education, and regulations, which are determined by the Norwegian government or other international institutions. In addition, the world population is also under constant change, and according to Statistics Norway (SSB, 2017), *“the total amount of waste generated in Norway in 2015 was 11.1 million tons, an increase of 3 per cent from 2014. As a result of new updated figures for waste from the manufacturing industry, the total amount of waste in Norway is somewhat smaller than previously calculated, but the increase is more similar to the growth in GDP”*. It is important that the waste management industry take decisive action to evaluate their way of monitoring waste and its value chain. According to Erik Osmundsen, the waste management business is intrinsically a very sustainable industry, but it is operating in a non-sustainable way (Serafeim & Gombos, 2015).

1.2 Sustainability in Waste Management

Sustainability has become a chant for the 21st century. It is known for its complexity and is an inspiration for organizations to secure a sustainable future. Implementing the concept is an intricate process, and the need for integrated sustainability is critical. Climate change poses an essential threat for nature and mankind, and the humans are to blame (World Wild Life, 2017). In order to address the global issues such as inequality, lack of resources and climate change, organizations need to integrate environmental and social considerations into every business decision.

According to Seadon (2010), the traditional approaches to waste management of ‘flame, flush or fling’ are outmoded customs, which have resulted in an unsustainable society because they lack long term thinking and flexibility. In addition, economic growth contributes to rising waste volumes (Environment, 2016a). From 1900 to 2000, global population increased four times, however the total amount of waste produced by individuals increased ten times. With assumptions that the total amount of waste will double again by 2025, resulting in a vast increase in traffic, more urbanization, and less space for landfills that, taken together would destroy the status quo (Al-Shawaf, 2013).

On the other hand, in recent years more waste has been recovered and emissions from the waste sector have been reduced (Environment, 2016a).

It is clear that managing waste is essential if society demands a sustainably responsible world. The industry is striving to attain a more sustainable waste management, and one of the key principles within this concept is to ensure that waste is dealt with in the right way. The concept can be defined as using material resources efficiently to cut down on the amount of waste produced, with the goal of minimizing the impact on the environment in socially and environmentally ways for future generations. The various waste management options can be organized by using a framework to measure sustainability, i.e. triple bottom line, which actively contributes to the economic, social and environmental goals of sustainable development (Steurer, Langer, Konrad, & Martinuzzi, 2005).

The industry is in constant change because of new technology, environmental education and regulations. The Norwegian Environmental Agency described that “*the central government authorities set the general framework, leaving municipalities and industry with a relatively high degree of discretion to design local collection and treatment solutions. The authorities have put in place a number of instruments (e.g. legislation, taxes, economic incentives) targeted at the municipalities, business and industry*” (Environment, 2016a). For instance, by 1st of July 2009, it was illegal to use landfilling of biodegradable waste. European Union (EU) impels toward a more environmentally friendly society by enabling green growth and the transition towards a more circular economy, i.e. recycling, recovery and re-use (Environment, 2018). They implemented requirements in which households had to collect and recycle 50% of paper plastics, metals and glass by 2015, and the Building Industry had to recover 70% material recovery by 2020 (Environment, 2016a).

The hazardous waste sector in Norway was considered to have significant risks because the way the waste was treated could cause serious pollution, resulting in injury to individuals and animals. The Norwegian Environmental Agency stated that Norway constantly increased their total amount of hazardous waste since 2003, and almost 6% of the waste in 2011 was using unknown methods that could have included illegal processes (Environment, 2016b). There are several aspects of this industry that can be viewed as obstacles for its development. The first one is the control of the sector, and the fact that there no single unit responsible for the regulations, but several, which makes it complex,

and allows organizations to push the boundaries - and use illegal processes. Another aspect is the change within the industry's structure, where the focus of waste has changed. Osmundsen, CEO of NG, states that *“a lot of regulation that has been made (by EU and Norway) for a time when waste simply was a problem, but today waste is resource that needs to be traded and sold to the best user of raw materials globally. Regulations are adapted to landfilling waste, not to sell plastic as a raw material to buyer in another country”* (Serafeim & Gombos, 2015, p. 4).

1.3 Presentation of the Organization

Adolf Jahr founded NG in 1926, in Oslo, Norway. It started as a small family junkyard, which several decades later ended up as an organization with 16 recycling plants that focused on various types of waste. After 73 years, in 1999, the family decided to sell NG to a French organization. Veolia Environmental Services owned international subsidiaries within the waste, water and energy services. After investing in the organization for 12 years, Veolia sold NG to Altor Fund III in 2011 - a private equity group consisting of four separate funds. They initiated improvements of the organization in economic, strategic, and ethical terms to make it more attractive for future owners (Serafeim & Gombos, 2015).

NG is the largest waste management organization in Norway and has approximately 25% market share. Compared to Retura, which is the second largest waste handling organization in Scandinavia and the UK, the organization boasted over double Retura's revenue (Appendix 1).

In December 2017, Summa Equity Fund I (SE) entered into an agreement to purchase NG from Altor Fund III (Altor) (Lys i Mørchet, 2018). SE is an acquisition fund, and focuses its investments on four megatrends, 'resource lowness', 'energy efficiency', 'technology change' and 'digitization', which makes NG a suitable investment opportunity (Lys i Mørchet, 2018). In addition, one of the partners in SE, Mr. Indahl, was also a partner in Altor. This can be seen as a positive manner as one of the new owners is familiar with NG's history. Osmundsen states that *“we are very enthusiastic about bringing Summa in as a new owner, partly because they share our belief that a company that wants to be sustainable should not only emphasize the economy, but also focus on the environment and social footprint. Norsk Gjenvinning is in an exciting phase focusing on industrialization, innovation and Nordic growth, and we strongly*

believe that Summa can contribute positively to our further development” (Lys i Mørchet, 2018).

1.4 The Journey of Norsk Gjenvinning

One can argue that the waste management industry has historically been associated with corruption, organized crime, and incorrect handling hazardous waste. However, one should assume that Norwegian organizations would behave in accordance with ethical standards.

After NG changed owners in 2011, Altor and Osmundsen started to guide the organization to follow strict rules and regulations. Osmundsen designed a Chief Compliance Officer, who is responsible for the compliance program, i.e. controlling all the partners outside the Nordic region, anti-corruption, code of conduct, anti-competitive behavior, focus on the consequences of breaking these standardizations. This was initiated because of NG’s ambition to be the recycling industry's leading player in compliance and sustainable business development (Norsk Gjenvinning, 2018d).

The organization is constantly searching and working towards new sustainable programs and concepts to follow and use as guidance. Since January 2018, the organization has participated in the UN’s Global Concept, a responsible business program, covered by ten principles, that strives to operate in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labor, environment and anti-corruption (Norsk Gjenvinning, 2018e).

Our interpretation of the turnaround in NG is that all employees will provide us with different stories based on diverse views of the same or similar situations. We also assume that employees who have been working in the organization for a longer time will share narratives of how the conditions have been before and after the turnaround. In other words, retelling the history of NG throughout the years, both from positive and negative point of view. In addition, we will seek to identify the organization's’ sustainable stories, i.e. turning waste into resources, which is based on their vision that waste will be the solution to the resource problems of the future.

For instance, the story about the cooperation between NG and Glava is a bright example of how the circular economy works, and how to provide and use secondary raw materials. In order for us to map our assumptions, we have formed a table consisting of a ‘past, present, and a future’ column, for the purpose of

gaining a specific overarching list of how NG has developed during recent years. It will be interesting to put this in context with our primary findings from our research.

Table 1. Overview of NG, seeing it from a past, present, and future perspective:

Past	Present	Future
<p>Known:</p> <ul style="list-style-type: none"> • Weaker profitability than competitors • Organization and culture built around people, not the tasks • Divergent cultures as a result of numerous acquisitions • Lack of cooperation and silo thinking, many conflicts • Limited understanding of common goals and strategies, decisions based on gut-feel and political considerations • Rumors as most important channel of communication • Lack of consequence management <p>Unknown:</p> <ul style="list-style-type: none"> • Corruption, financial fraud, theft • Illegal handling of hazardous waste • Illegal waste export • Anti-competitive behavior • Serious breaches of regulations 	<ul style="list-style-type: none"> • Sustainability • Green growth • Turning waste into resources (Glava, Coop, “Waste does not exist anymore”) • Transparent, white economy • New directors, mission, vision and code of conduct • Compliance • UN’s Global Concept • Reputation 	<ul style="list-style-type: none"> • More sustainable solutions • Positive vs. negative • Changing the industry • Digitalization • Technology • Green growth • New Owners by 2018

(Source: Appendix 2)

2.0 Theoretical background

2.1 Introduction to theory

This master thesis concerns the field of sustainability, ethics and change. This topic is highly up to date and extremely relevant for the future. Our research questions could be answered by a multitude of theoretical perspectives. As this thesis aims to identify the NG's journey towards a more sustainable waste management, we found the theories; Narrative of change, Sustainability, Ethical Turnaround, Communication of the change message, Climate and Culture, Organizational Culture and Organizational Change, most relevant.

2.2 Theory

2.2.1 Narrative of Change:

To identify and understand how organizations deal with change, or come up with new ideas and concepts, one often uses *narrative of change*. The term is defined as “*a discourse on change and innovation, i.e. a set of ideas, concepts, metaphors, narratives and/or story-lines about change and innovation*” (Transformative Social Innovation, 2017). In other words, it is storytelling where one is able to compare and investigate the participant's stories, and in the end find a red line that gives a holistic picture of a situation. This can be achieved, for example by performing interviews. The main goal is to evoke narrative accounts about changes an organization has undergone, and to make the participants tell stories about issues that are important to them. The purpose is to encourage the participants to outline the transformation their organization has been through.

According to Ricour (1984, cited by Rhodes, Pullen, & Clegg, 2009), he suggested to use a past, present, and future approach when hunting for the meaning of the narratives. Namely, using past, present and future approach, which will result in a new pattern on existing theory through storytelling. Hearing individuals telling the story from their point of view is exceptionally interesting, as they most likely have experienced events differently. This narrative approach will help to combine elements of experience into a narrative to make stories more meaningful, sensible, and find connections within stories between the past, present and future events, that have never been discovered before (Kvalnes, 2017). Furthermore, it has interestingly been found that there are diverse ways of telling stories (Rhodes, & Pullen, 2009, cited by Rhodes et. al., 2009). If there is a dominant, shared story going around, this might have the “*effect of limiting other*

possible meanings, and hence other possible actions” (Rhodes et al., 2009, p. 547), which could make it difficult for other stories to make a holistic picture. In addition to that, individuals who are going through rapid changes, often become perplexed when unwillingly placed in an unpleasant situation, or are themselves, the reason for the situation.

Sykes and Matza (1957) theorize how individuals become morally neutralized and justify their actions even though they seem to be morally wrong. They happen to be blinded by their judgment in decisions because they simply are not aware of their judgment being incorrect. In other words, even though their choice of action can be seen as morally wrong, they perceive it as morally right.

“You could have hooked us up to the best lie detectors on the planet and asked us if we were cheating, and we’d have passed. Not because we were delusional, but because we didn’t think of it as cheating. It felt fair to break the rules”

- Tyler Hamilton, former professional bicycle; Olympic gold and doping confession -

2.2.2 Sustainability:

Sustainability as a concept embraces many components: climate change, development, ethics and social justice, and can be seen as an overarching concept. There are several definitions of how to perform a more humane, ethical and transparent way of doing business, which have evolved through intensive debate among academics, consultants, and corporate executives (Van Marrewijk, 2003). UN defined the concept in 1987 (UN documents) *“sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs”*. Although this definition is not viewed as a universal accepted description, it provides the general idea of the concept. Two of the most common concepts that are used in relation to business and sustainability are corporate sustainability and corporate social responsibility (CSR).

CSR, on one hand, is a commonly used concept; still it remains vague covering different meanings to different individuals (Decker, 2004). During the last decade individuals have created materials and chemicals that do not naturally exist (Meyer, Kurovski, & Clapham, 2014). *“Much more harm in the world caused by businesses is due to violation of laws or ethical norms, rather than by*

absence of business philanthropy” (Windsor, 2016, p. 146), and therefore, it is important to be concerned with a moral leadership and corporate social responsibility by thinking about the future.

As quoted by Franco Bernabé (Windsor, 2016, p. 146) *“leadership is fundamentally about humanity. It is about morality. Your primary job as a leader is to see what is good for your organization and what is good for the people who work for you, and to create something for the well-being of your fellow citizens”*. CSR has been integrated as a highly important and necessary responsibility within all organizations due to its importance *“to assess and take responsibility for the company's effects on environmental and social wellbeing. The term generally applies to efforts that go beyond what may be required by regulators or environmental protection groups”* (Investopedia, 2018a). Lantos (2001) further explains CSR as a common term representing given activities that an organization voluntarily performs that go beyond its fiduciary duties. Aligned with the latter, CSR has been compared to philanthropy, and criticized for being more concerned with the social performance of sustainability, neglecting the implications for and benefits of the organization (Lozano, 2013).

Corporate sustainability, on the other hand, has developed as broader notion of sustainability, which has been shaped by several political, public and academic influences over time (Kidd, 1992 cited by Linnenluecke & Griffiths, 2010). Dyllick and Hockerts (2002) defined corporate sustainability as the ability to meet the organization's needs as well as the needs of direct and indirect stakeholders in the future as well of today.

The literature implies that a holistic perspective is necessary in order for corporate sustainability to make real progress (Baumgartner & Ebner, 2010 cited by Engert, Rauter, & Baumgartner, 2016). Several organizations have shifted from merely acknowledging their responsibilities to also comprehending the many potential benefits of corporate sustainability (Bonn & Fisher, 2011). Directing corporate sustainability is *“a strategic profit-driven corporate response to environmental and social issues caused through the organization’s primary and secondary activities”* (Salzmann, Ionescu-Somers, & Stegner, 2005, p. 27).

Steurer and colleagues (2005) argued that the sustainable development encompasses a ‘tripartite core structure’, including a framework to measure the sustainability, i.e. economic, social and environmental performance. Investopedia (2018b) describes Elkington's triple bottom line as the intention to advance the

goal of sustainability in business practices, in which the focus of organizations is extended beyond profits to include social and environmental issues to measure the total cost of doing business.

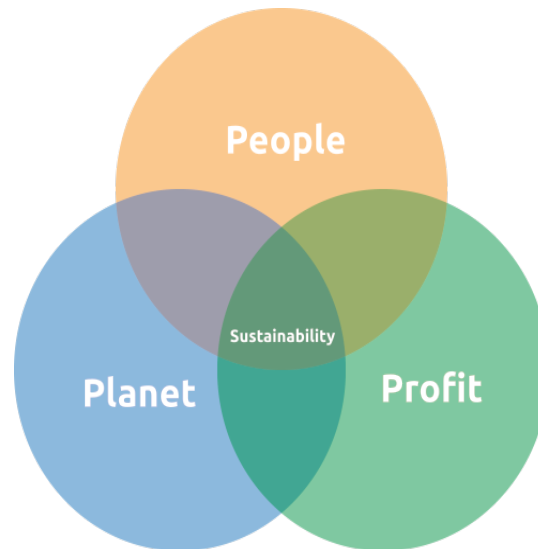


Figure 1: The triple bottom line

In this model the environmental performance, or planet, include the effective management of natural resources and the effect of industrialization where the goal is to minimize the environmental impact. The economic performance, or financial, focus on the value created by the organization and the long-term profits, in addition to the corporation's approach toward market functions. The third and final concept within the triple bottom line, social performance, refers to social equality in regard to education and standard way of living, along with fair business practices and the communities in which organizations conduct their business (Steurer et. al., 2005). The three aspects have developed over the years to become equally important dimension of sustainability.

Considering this, corporate sustainability, as placed next to CSR, implies that the organizations' needs are taken into consideration, as well as protecting, sustaining and enhancing both individual and natural resources required in the future. Hence, corporate sustainability provides a more realistic solution than CSR. This study will therefore concentrate on corporate sustainability, later referred to as sustainability. The description of sustainability will adopt the definition from the Brundtland Report, by the World Commission on Environment and Development, as *“meeting the needs of the present generation without compromising the ability of future generations to meet their needs”* (Brundtland,

Khalid, Agnelli, Al-Athel, Chidzero, Fadika, Hauff, Lang, Shijun, & Morino, 1987, p. 43), where the social, environmental, and economic performances of the triple bottom line is implemented.

If an organization faces difficulties with employees concerning sustainability and ethical issues, it might, in a worst-case scenario, be linked to organizational crime, i.e. ethical challenges regarding corruption, bribery. These actions, i.e. mistakes and errors, can be viewed in the light of fallibility.

According to Kvalnes (2017, p. 11) fallibility is “*the tendency to make mistakes and errors, in the shape of small or large slips, mishaps, and blunders. Some of them can lead to serious harm, while others can create breakthroughs in experimental processes*”. He further describes moral fallibility as “*the name we can use for the phenomenon of acting contrary to one’s moral convictions and beliefs*” (Kvalnes, 2017, p. 131). On a personal level, individuals may behave morally wrong i.e. of weakness of will, and on an organizational level, leaders or employees take decisions or act in a way that the followers may view as morally acceptable or right.

On one hand, this can result in individuals, i.e. employees, go against their moral convictions, and be morally fallible. On the other hand, a universal assumption within the field of moral psychology, when individuals meet alternatives that conflict with personal moral beliefs, they tend to reject them unless they are able to convince themselves that those alternatives are morally acceptable, after all (Bandura, Barbaranelli, Caprara, & Pastorelli, 1996, cited by Kvalnes, 2017). After a while, when the performance become a habit, the moral point of view slowly starts to fade.

2.2.3 Ethical Turnaround:

For organizations to overcome challenges regarding ethical issues and problems involving not acting in a sustainable way, organizations “*must correct their situations as quickly and honestly as possible to restore faith and trust of the employees, customers, and other stakeholders*” (Sims, 2017, p. 3), and are encouraged to perform a turnaround. If the unethical problems are not taken seriously, the risk of losing financial support, customer, and employees will most likely be the result. The organizational environment is characterized by how its business is performed. If the productivity, workplace harmony and commitment

are constantly under pressure, chaos will ensue and lead to a negative impact on the entire organization.

Moreover, if an organization suffers from an ethical scandal they either have committed - or if they simply made a bad decision - it is important to address the issue to everyone involved. This is because it can lead to serious implications for employees who are “*not directly involved in the scandal but experience repercussions simply because they are members of the organization*” (Sims, 2017, p. 3). In this way, one can avoid direct and indirect damage on the organization's reputation, commitment, intentions and performance.

Kanter (2004, cited by Sims, 2017, p. 4) suggests how a new leader is key for a turnaround as it “*symbolizes to everyone in an organization that the weight of the past can be left behind*”. Kanter (cited by Sims, 2017) often refers a new leader to be a ‘new broom’ that will turn the organization in a new and ethical direction. Thus, having a new leader may be a catalyst for a new and fresh start, where barriers can be shed light on and possibly be removed. Regardless of how big the organizational damage is seen to be, or who is responsible for the unethical behavior, the damage has been done, and there is a need for a turnaround (Sims, 2017)

‘If you get the culture right, most of the other stuff will just take care of itself’

- Tony Hsieh, an American Internet entrepreneur and CEO of Zappos; the art of great company culture -

2.2.4 Communication of the Change Message:

One of the most important factors for successful change, but also one of the most commonly ignored, is the communication of the *change message*. “*The change message both conveys the nature of the change and shapes the sentiments that determine reactions to the change*” (Armenakis & Harris, 2001, p. 169). The statement of the change message is not always conveyed properly, a negative response from those involved is often the result. The leaders’ task of communicating the message to their subordinates often fails.

According to Armenakis and colleagues (2001), the change message serves as a coordinator, divided into three phases; how to incorporate readiness, motivation to adopt and implementing the change. During the first phase of how to incorporate readiness, members of the organization become prepared of the

change and ideally supporters. In the second phase, motivation to adoption, employees of the organization adapt to the new ways of operating after the implementation. Lastly, the third phase, implement the change, explains how to maintain the adoption until the change process becomes fully internalized.

Furthermore, Armenakis and colleagues (2001), specified five key components to ensure the effectiveness of the change message to the individuals involved. These five components are discrepancy, efficacy, appropriateness, principal support, and personal valence; what is in it for me?

2.2.5 Culture and Climate:

For the change message to be implemented properly, the changes must be embedded in the organizational culture. A distinction between climate and culture must be made regarding the difference between what is easily changed within an organization, and what is not. Isaksen, Dorval, and Treffinger defined the term of culture as “*an organization’s culture is long-standing, deeply rooted, and usually slow (sometimes very difficult) to change*” (2011, p. 186). The culture represents the traditions, beliefs, history and values within an organization, which can be seen as the building bricks or the fundament of what it has become. One can often compare these two concepts with an iceberg, where the part you cannot see, is the culture, and the part that is visible is the climate. Ekvall (1983,1987) described organizational climate “*as the attitudes, feelings, and behavior patterns that characterize life within the organization*” (Isaksen et. al., 2011, p. 187). The climate characterizes the life within the organization, and how the member of it experiences their work situation, and the workplace atmosphere. In other words, climate is easier to change compared to culture, as it is hard to change the history of the organization. When discussing climate organizational change, it is the beliefs, feelings, and attitudes that need to be changed.

2.2.6 Organizational Culture and Organizational Change:

Scholars argue that for organizations to master challenges of sustainability implementations, sustainability needs to be embedded in the organizational culture (Epstein & Roy 2007, cited by Bonn & Fisher 2011). According to Baumgartner (2009), organizations should aim to develop an organizational culture that is sustainability-oriented, since this can help and steer individuals’ behavior and provide in operationalizing sustainability in daily routines. Paraschiv and colleagues (2012, p. 408) define sustainability oriented organizational culture

as “*an organization where members have common beliefs and opinions about the importance of balancing economic efficiency, social equality and environmental responsibility that are guiding managers and employees in their behavior and their decision-making processes*”.

Closely connected to organizational culture is an organization’s ability to change. Paraschiv and colleagues (2012, p. 404) state that an “*organizational culture and organizational change are the basic elements through which organizations continuously renew their processes and products, adapting them to new contexts*”. Siebenhüner and Arnold (2007) argue that implementing sustainability is challenging since it requires re-investing processes and products as the organization’s traditional operations fundamentally change.

Paraschiv and colleagues (2012) argue that the creation of a sustainability oriented organizational culture by changing sustainability into organizational value will help convince employees to perceive the importance of organizational culture, and perhaps more importantly prevent potential resistance to change. Becoming more sustainable is more than the simple formulation of sustainable strategy, rather it is potentially more important to focus on how to implement the given strategy (Epstein & Roy, 2001). Numerous studies indicate that there is an increased understanding among organizations about the benefits of sustainability (Bonn & Fisher, 2011). However, organizations find it difficult to find the appropriate approach to implementing sustainability (Galbreath, 2009). The implementation of sustainability can be viewed as a paradigm shift for many organizations, and such initiatives must be correctly introduced to all parties involved. Top management needs to evaluate multiple indications of their strategic decision-making processes and how to incorporate them to all the layers of the organizations, while maintaining a long-term perspective (Bonn & Fisher, 2011). Based on this, Paraschiv and colleagues (2012, p. 409) argue that “*organizational change must be top-down, to create the necessary structure and to provide sustainable vision, and bottom-up, to encourage participation from all employees*”.

3.0 Methodology and Data Collection

3.1 Introduction to Research Question

Our goal was to encourage storytelling by the employees at NG and to compare and investigate their perception of the situation within the organization. In other words, receive stories from the past, the present, and thoughts about the organization's future. Furthermore, the purpose is to reveal and determine underlying feelings, views, and behaviors on the transformation of NG, and the employees' handling of the situation.

Our interpretation of the turnaround in the organization is that there are different stories between top management and the people on the floor. We have formed an impression, based on secondary sources, that the employees within NG were familiar with all the stories about ethical issues and that some of those involved did not consider the behavior as morally wrong. Further, the employees found it hard to understand why the practice should change when it gave the organization a considerable profit. The employees appear to be blind regarding their performance, and blind to their blindness (Kvalnes, 2017).

Based on this, we assume that employees shared narratives of what the conditions were within the organization. In other words, by retelling the history and development of NG during the years, we could see if the stories were consistent with each other, and to see if we could find a red line throughout the stories. In addition, we try to discover whether the employees truly believe that the rapid changes the organization, are leading them towards a reputedly good sustainable waste management strategy. It is also interesting to determine if the employees share the same vision, mission, and code of conduct, or if there is uncertainty among them as to what management expects from them.

3.1.1 Research Question

Accordingly, the aim of our study is to investigate the following questions:

What are the narratives of change in Norsk Gjenvinning?

To what extent are the narratives of change in Norsk Gjenvinning...: (i) ...optimistic and indicative of a belief that there is a real scope of action for sustainable waste management? (ii) ...oriented towards identity and values, or towards reputational and economic gain?

- (iii) ...indicative of triple bottom line attitudes? (iiii) ...what are the main ethical dilemmas and challenges facing NG in reaching their goal of becoming a sustainable and clean waste management organization? (v) ...consistent and pervasive throughout the organization?

3.2 Introduction to Methodology

This part will include the methodological approach used for solving our research questions. To explain and shape the underlying methodology of the thesis, we include both theoretical and methodological frameworks introduced by known researchers. In order to present this part in a systematic way, we used the research onion by Saunders and colleagues (2016, Appendix 3).

3.2.1 Qualitative Research

We chose a qualitative method for the purpose of this thesis. According to Myers (2009, p. 5), *“qualitative researchers contend that it is virtually impossible to understand why someone did something or why something happened in an organization without talking to people about it”*. Researchers argue that in-depth interviews are the best way to understand the interviewees’ reasons, motivation, and actions. Using a qualitative research method is appropriate for our study because we will most likely make conclusions based on the participants’ stories. We will have to gain an insight and understanding of what the employees within NG are trying to convey and construct a meaning from the outcome.

3.2.2 Abductive Approach

In qualitative research one typically chooses between three types of theory development approaches, ‘inductive’, ‘deductive’, and ‘abductive’ (Saunders et. al., 2015). This research is guided by an abductive approach as it is trying to explain a pattern of the past, the present, and the future of NG. When conducting an abductive approach for theory development, one collects *“data to explore a phenomenon, identify themes and explain patterns, to generate a new or modify an existing theory which you subsequently test through additional data collection”* (Saunders et. al., 2016, p. 145).

Our research can be seen as a unique phenomenon because we explored a new pattern of existing theory based on stories told by the employees of NG, and we hope to end up generating a new theory or challenge the existing theories. In other words, we use an *“abductive approach that seeks to gain insights to create*

new conceptual possibilities which are the examined” (Saunders et. al., 2016, p. 197).

3.2.3 Philosophy of Science

Philosophy of science is a fundamental topic when choosing a direction for collecting data, which is divided into five major philosophies in business and management (Sanders et. al., 2016). We chose to use interpretivist research, and according to Saunders and colleagues (2016), the purpose of this research it to create new, richer understandings and interpretations of social worlds and context, which we hope to illustrate throughout this thesis.

3.2.4 Research Design

The purpose of the research should either be designed to fulfill an exploratory, descriptive, explanatory, or evaluative purpose, or a combination of these (Saunders et. al., 2015). For our thesis we use a combination of both exploratory and evaluative, and we consider this choice of method to be highly pertinent in gaining an understanding of the situation in the past, how it is now, and how it will be in the future. The research for this thesis will be conducted using a single data collection technique, i.e. in-depth interviews where we analyze the answers through a qualitative analytical procedure. This method is called a mono method qualitative approach (Saunders et. al., 2015).

In this case, our primary data will be the employees’ stories, and the secondary data will be articles, studies, NG’s webpage and presentations, which can be useful if they affect the topic of research and are used as support when complementary sources are needed.

3.2.5 Narrative Analysis

A narrative review is part of qualitative research, and is, according to Makkonen, Arikka-Stenroos, and Olkkonen (2012, p. 288) *“similar to a process in that they both examine events in a particular context and follow a temporal structure”*. Instead of performing a research where more can be added to the existing knowledge, one also generates an understanding of a topic.

3.2.6 Purpose of Study

We find the topic particular interesting, up to date, and relevant for the future. Traditionally, industries have focused on creating basic values, i.e. productions of goods or delivering of services, while abiding by laws and regulations. Today this

focus has changed as society has evolved, and sustainability is more important than ever before. The reason for this is the study of the environment, and what long-term value creation requires. If an organization is not in line with the wider community's needs and concerns, then its value creation cannot be sustained over time. In 2015, the United Nations introduced the Sustainable Development Goals (SDGs), which are 17 different ways of creating a roadmap to transform the world by 2030. Industries and organizations choose themselves which one of them they wish to focus on. The main focus is to build a better world with no one left behind (United Nation, 2017).

Furthermore, apart from the general feeling toward this project, we have our own opinions as to why we like and find this project interesting. When NG discovered the negative situation within the organizations in 2011, they did a major turnaround to eliminate the internal problems. This is now seven years ago, and the process has been progressing ever since. With that in mind, we wished to see current conditions where, to look deeper into the changes of the organization, and to discover if the changes had been implemented among all the employees and the organization in general. Since NG is a large organization, it is difficult to reach out to all the employees. Every year the HR-department sends out an anonymous appraisal request, by e-mail and publishes the results in their magazine 'MeniNG'. This is to guide the employees' thoughts and impressions of their roles within the organization, and the organization as a whole. With over 1200 employees in NG (Norsk Gjenvinning, 2017) one can argue that the response rate of 76% in 2016 and 79% in 2017, can be viewed as high (Appendix 4). Our assumptions are that the remaining percentage of the employees are the ones working in the field, do not have a strong enough opinion or do not care. Other barriers may be that the employees do not speak Norwegian, or do not have an NG mail which make it more time consuming to answer the appraisal. Although Osmundsen in 2011 reached out to the employees at all levels of the organizations, we do not believe that this has been repeated. Therefore, we think that talking to top management and listening to their narrative of how they picture the current situation would be interesting when compared to the version of the change from those working on the floor.

3.2.7 Collection of Data

The collection of data included both primary and secondary sources to allow for a close exploration of the organization in question (Stensalker & Dalkenberg, 2007). The collecting of both is useful for us to compare and find variations in the data source. Interviews with the employees at NG are the primary source of this data collection since interviews are viewed as the most important technique to gather data in qualitative research, while all other sources are viewed as secondary data (Myers, 2009).

3.2.8 Interview Guide

We use semi-structured interviews to solve our problem definitions, and to relate NG's journey. The semi-structured interviews are a mixture of structured and unstructured interviews, which aim at taking the best of both approaches, while minimizing the risk. This allows for improvisation, because the interviewees have the opportunity to add important insights as they arise during the conversation (Myers, 2009).

This approach allows the informants of making their actual experiences to be the main topic of the interviews (Dutton, 2003), which hopefully will provide us with an understanding of how the participants handled the situation. Based on this we aimed to encourage the interviewees to recall their perception of the situation and to illustrate their beliefs, attitudes, and feelings on the topic with personal examples or by retelling stories heard from others. Furthermore, the use of narratives provided us with a more complex understanding of the whole process of change. This will hopefully secure variation in our findings and help to uncover similarities and differences in the informants' perception of how the change, the clean-up and the new policies were implemented throughout the organization.

Table 2. Types of questions asked in interviews

Questions themes	Specifics
Background of interviewees	Questions about professional and personal background, i.e. <i>'can you start by telling us something about yourself and what you work with?'</i>
Recall of a specific situation	Recall their perception of the situation and share their beliefs, attitudes, and feelings on the topic, i.e. <i>'Can you give one or more examples of a situation(s) where you can see that the company has adapted to the new policies, and handle a situation differently than before the turnaround (compliance, UN, etc.)?'</i>
Reflections about moral issues	Questions about the illegal actions provided by workers within the organization <i>'Can you relate to all the new changes regarding rules and policies?'</i>
Communication at work	Questions about how they communicate important and relevant information within NG; <i>'Can you describe the structure of communication within NG?'</i>
Sources of meaning in work	Questions about aspects of work one finds most pleasure and meaning about, i.e. <i>'What is important to you when you are at work?'</i>
Desired futures	Based on NG and how they picture the future based on their experience from the past, i.e. <i>'can you please try to picture the future of NG based on the past?'</i>

3.2.9 Validity

"The validity of a qualitative research relates to what degree the data incorporated in the research can be viewed as appropriate and accurate with respect to the question at hand" (Saunders et. al., 2015, p. 202). Building on that, Bryman and Bell (2015) claim that validity is the most important criterion in research. To ensure the highest possible validity when conducting research, one should ask clarifying questions, conduct a thorough examination, and explore the responses from the interviewee from different angles (Saunders et. al., 2015). Moreover, by having several interview objects to avoid generalization or participation bias.

To overcome participation bias, one should include secondary sources to the research to gain more transparency around the subject matter. In this way, validity will be represented by “*the degree to which the interview data corresponds with the true meanings of the respondents*” (Saunders et. al., 2015, p. 401), which is why we use secondary sources to complement our primary data.

3.2.10 Reliability

“*Reliability refers to the consistency of a measure of a concept*” (Bryman & Bell, 2015, p.169). Observation or translating data into categories often involve more than one observer, and each observer may have different perceptions and opinions on each of the cases – which can lead to lack of consistency.

4.0 Findings

4.1 Introduction to Findings

In order to answer our research questions, we collected stories from NG through a qualitative method. To gain an insight perspective, eight semi-structured interviews were conducted (Bryman & Bell, 2015). The participants held different positions within the organization. This method provided a more holistic view of the complex situation. In order to confirm and elaborate on the findings from the primary data, we used a secondary data.

- Ingrid, Head of Compliance and Business Development
- Hans Fredrik, Head of Business Strategy and Sustainability
- Andrea, Employee
- Inger Lise, Employee
- Fredrik, Employee
- Andre, Employee
- Tormod, Employee
- William, Employee

Our interviewees had begun working in the organization both before and after the turnaround in 2011, and naturally they had different point of views on the situation before the clean-up. Three of the interviewees started before 2011, and the remaining five started after the turnaround. Two of the eight employees are working in top management, and the rest are work in different departments. These

employees gave us a great wealth of information for our thesis in their answers to our research questions:

What are the narratives of change in Norsk Gjenvinning?

To what extent are the narratives of change in Norsk Gjenvinning...: (i) ...optimistic and indicative of a belief that there is a real scope of action for sustainable waste management? (ii) ...oriented towards identity and values, or towards reputational and economic gain? (iii) ...indicative of triple bottom line attitudes? (iiii) ...what are the main ethical dilemmas and challenges facing NG in reaching their goal of becoming a sustainable and clean waste management organization? (v) ...consistent and pervasive throughout the organization?

The following section presents the findings, and here we become familiar with the employees' view of the situation. In order to present the narratives of change from the journey of NG, several quotes from each participant stories have been used to supplement and color the overarching story.

4.2 Main findings

Hence, to receive some knowledge about what our main findings were, we have listed the narratives of change in NG:

- From culture conflict to a collective optimism towards the organization's future
- From absence of control and communication to better routines
- From rumors as the most important channel of communication, to a complete lack of rumors today.
- From initially being alone, except for weak support from the Norwegian Government, in attempting to change the industry, to employee education and the gradual rewriting of regulations and laws to combat corruption and non-compliance
- From being known as 'unsustainably sustainable', to improving the organization's reputation and its focus on sustainability
- From poor managerial control: silo thinking, to focus on compliance, regulation and HSSE.
- From viewing waste as an unsustainable problem, to perceiving it as valuable resource

- The process to remove the uncertainty and misunderstandings connected to the concept of sustainability is still ongoing, but the overall understanding has increased
- From believing that there were traces of neutralization or misbehavior among employees to being unable to find any evidence of these negative traits.

When we began writing this thesis, we expected more surprising findings, i.e. narratives about unethical activities or issues. However, we are satisfied with the stories and examples that we have discovered, and relieved that none of them uncovered anything illegal in NG. Despite the finding of uncertainty and misunderstandings associated to the concept of sustainability, it seemed to us that even though the employees could not define the word, they did understand the concept as a whole and was orientated towards the values. Regarding lack of communication and cultural conflicts, we more or less expected this to be an issue as it is a common case within large organizations.

4.3 Narratives of Change in Norsk Gjenvinning

Veolia sold the organization to Altor III in 2011, who had a lot of experience from acquiring other organizations. As NG was a suitable and established organization to invest in, Altor was aware of some challenges, i.e. organization and culture built around people and not tasks, lack of cooperation and silo thinking resulting in many conflicts, lack of consequence management. Together with the new top management they began to focus on the opportunities and challenges within NG.

In order for management to understand the needs of the organization, Osmundsen, the new CEO, started a project. He decided to spend time with all the employees and talk to as many people involved as possible. To ensure that he received all the important information he needed, Osmundsen focused on listening rather than talking. At this point they discovered all the unanticipated challenges, i.e. corruption, theft and illegal actions. This started their journey towards sustainable waste management.

“... Erik Osmundsen was driving alongside one of his employees in a waste collection truck at 6 am just outside of Oslo. Every month he ventures into the field to connect with employees and to gather first-hand knowledge of the challenges and routines that front-line workers experienced ...”
(Serafeim & Gombos, 2015, p.1).

NG had been a family business for 73 years before Veolia bought the organization. When Altor bought Veolia, Indahl, a partner of Altor, believed that the organization had the infrastructure in place for significant growth. Further, the new owners trusted that the size of Veolia gave an advantage in order to shape the market if ‘best practices’ were implemented. Even though Veolia, the owner from 1999 to 2011, was an incredibly skilled, experienced and future minded owner, the employees viewed them as focusing only on saving money, except when they wanted to expand their portfolio by acquisitions.

“... When I started here in 2007, the goal was really just to deposit the most money all the time, every month. We had a huge administration budget, which just got bigger and bigger each year because we only deposited the money. When we had first got them on the budget, we deposit them ...” - Inger Lise

The culture and routines were separated; with Veolia located and managing the business in Paris, France, and NG having offices dispersed all over Norway. On one hand, the way of doing business in France is not the same as in Norway, where the operation is flatter compared to France’s structure of hierarchy.

“... The French regime is very top down, and at the same time little involved in Norwegian operations. The way to operate a company in Norway is very remote from the French style ...” - Ingrid

On the other hand, one could describe the situation in the Norwegian offices as having a silo mentality, where several divisions and departments worked separately as ‘little kings’ following their own rules and regulations. Osmundsen found that the flow of information was limited to Veolia, as they only received

enough information to make them pleased with the work that had been done. In other words, they were not aware of what was going on.

“... It was such that the CEO's role was to provide the least information to the owners, just enough to make them happy. And the role of the divisional directors was to provide as little information as possible to the CEO, to avoid much hassle, and the regional directors did the same with the divisional directors. This became the routine. Little information was shared, only some, and that is not a way to perform a business in the long run. However, they thought it was easier that way ...” - Hans Fredrik

One main reason for this way of operating was an extremely bad culture of openness, and how they ran the store. Veolia did not have any control over the situation in Norway, and the employees could continue as they were pleased since the routines were not followed up, even though there had always been rules and regulations within NG, both internally and externally.

*“... There were not enough follow-ups; the rules have become stricter and stricter during the years. Hence, there were many clear rules at the time also. However, the regulations were extremely complex, and there were not good enough routines for actual education in these regulations ...”
- Ingrid*

Thus, the NG employees had a mentality of only focusing on their own work, which resulted in lack of communication, information and a clear overview of one's own and others' responsibilities and functions. However, one could still find traces of this after Altor bought NG in 2011. One could say that the mentality within NG was more oriented towards economic gains rather than identity and values. It is important to have clear values because they set directions, define the borders, and set the framework for the organization's decision making. An organization cannot have employees making decisions that are not connected to its framework and values, therefore, this became an important task for the new top management.

“... At the first management meeting I participated in, where there was this case regarding a solution for recycling a specific type of material, they were thinking about hiring someone external to help them. Then one person in a specific department raised their hand and said ‘but we can do it? That is what we do’. Then the problem was solved. The point is; the department that needed help had no clue that this could actually be done internally! No clue of it! This exemplifies lack of communication ...”

- Andrea

The employees were both excited and nervous about their new owners, and one can argue that their actions were viewed in a positive and in a negative manner. There was a general expectation of what Altor would be like and how the organization would function from now on.

“... The employees of the organization were also concerned about what this meant for the key positions, their position, their closest employees and the team members, and the environment as a whole ...” - Ingrid

Some of the employees were pleased about the new top management and the focus on cleaning up the organization by implementing new policies and routines, while others were not satisfied with the continuation of acquisitions. Instead of financing more inside the organization, Altor would save even more money. Some of the employees felt that their needs were not prioritized, and that top management did not see the value of investing in new machines, even though their current ones were outdated.

“... An investment company that would only utilize our money just to buy and own other companies, and not actually focus on what we are doing. It was not good. In addition to that, it was hard to buy anything new, every time we had to go through a major request processes, and most of the time the answer was no. We did not feel very well taken care of ...” - André

They continued to buy small businesses, as Veolia had done before, and bought organizations within the same sector, i.e. former competitors. These businesses had very different cultures and routines compared to NG, and the employees

within NG were now forced to view earlier competing employees as their co-workers which resulted in a cultural conflict. The fact that the workforce had doubled resulted in downsizing, since they could not provide enough jobs for everyone. However, on the positive side, they invested NOK 100 million to increase compliance to be more oriented towards values and identity (Appendix 5).

“... There were no people left here to do anything. It was an end-packing process to get rid of some people. But the result of that was that wrong people disappeared. And then you had to hire some new people to do the job of those who got fired. In other words, I don't think it was very successful. Someone who had gone on vacation and returned to work discovered that they had suddenly been fired. It was a total chaos ...”

- Inger Lise

Concurrently, this was a period filled with several changes where leaders and managers were frequently replaced. Osmundsen strengthened their internal whistleblower policies in order to achieve a better protection for the employees who had the courage to come forward with potentially damning evidence. Moreover, the employees who shared information during a four weeks period would not face consequences. After this period, however, the management warned that the organization would introduce a zero-tolerance policy where any violations of this would result in instant dismissal.

“... I don't quite remember the episode, or what happened, but there were some metals were not handled properly. They were simply sold under the table. Black money went right into their pockets. I mean, they simply stole money from the store. And when they were discovered, it led to trial and they were convicted for what they had done. There were two people, as I know, who were convicted for what they had done ...” - André

All forms of corruption, illegal actions or other compliance breaches would not be tolerated, and if an employee could not agree with the new changes regarding rules and policies, they were welcome to leave NG. The top management implemented around 40 new rules during 2013. They wanted to clean up the organization, which was well-known by the media, in order to gain the triple

bottom line: economic, social, and environmental goals of sustainable development. It was important for NG to set directions by focusing on values and identity, but at the same time emphasis on economic growth, reputation and openness.

“... We want things on the table, up in the open, we want the skeletons out of the closet, and we do not want to operate in gray zones and be known for unethical practices. We will set a clear line for compliance, compliance with laws, regulations, and permissions. This we will have control, and it is not acceptable to break any of these ...” - Ingrid

All the employees had to read and sign all the new policies and rules as a proof of understanding and accept. NG provides rules and regulations, both internal and external, which reflect the laws and ethical behavior that they want to be associated with. Management has made it easy for employees to find these rules by posting the documents on their public homepage. However, the document is only available in Norwegian.

“... I was given a contract when I started working here. The first day I was here, after I had three days of training, I signed my contract. It tells all about rules and policy. As I am not very good in Norwegian they were very concerned about my understanding it, and therefore they gave me enough to read it ...” - William

The top management believed that to accomplish a successful and radical change, the employer in the organization need to listen to the employees and meet their conditions. The employers cannot achieve change by themselves; they are dependent on their employees.

“... I had to get to the position where we had a certain large degree of new people with the right values and new impulses mixing with the experienced people in order to influence the culture towards the new people’s way of thinking ...” - Osmundsen (Serafeim & Gombos, 2015, p. 10)

Because of Osmundsen's discoveries, many changes had to be implemented in the organization. To change the culture and routines throughout NG's value chain, a ten-year development strategy was introduced that contained several improvements.

"... We were a little like this: 'Okay, are we not allowed to do that? Can we not do that?' I mean, when we needed to do some work in the height, we would easily just use the shuffle of the wheel loader for that, but when we tried it here, ten men were throwing their hands in the air and ran at us to stop us. We were foolish; however, it was a good sign that people stopped us and are following the routines and rules ..." - Fredrik

However, an organization's culture can be viewed as long-standing, deeply rooted, and usually difficult to change. One can say that it portrays the way threads have been woven together to create a fabric.

"... The cultural journey is almost even more demanding and impressive compared to everything else we have managed to do. We actually know what is going on at district level and what district leaders do, we are all part of a transparent team, we respect values, and follow-up of the employees. It is a completely different setting now ..." - Hans Fredrik

Even though it may be challenging to change the way one does business, one can see several results of the changes. Most of the employees agree on how pre-change situations, i.e. illegal actions, would never happen today since the organization focus so much on training, routines, health-environment-safety, and compliance, and can identify new routines. In addition, another important safety routine, the Safety - Job - Analysis (SJA) has been introduced and works as a good help to avoid crisis.

"... There is a leader who must actually approve this analysis before you can even begin your work. This is something we must do before unfamiliar work, but if it is work we've done before, there's already a routine inside our system ..." - Fredrik

However, even though the employees understand the importance of regulations and control, one can actually feel that sometimes there is too much, and it is very time consuming.

“... Now you have to write a SJA on something I look at as a daily routine. And then you have to sit down to write this SJA, there is so much time being wasted. I mean, you are almost intimidated to do the job because you know that you have to sit down and write the SJA before you can do the job. I mean, it’s almost as I have to sit down and write a four sheet SJA before changing a light bulb ...” - Tormod

When people are faced with inefficient procedures they may start to push the boundaries regarding the rules, which may result in employees breaking rules and changing their attitudes towards them.

“... I do not think everyone is equally good at thinking about what to do and what dangers are lurking. Especially those who have been here for a while, and those who were like “I was only going to”, and that also applies to those who are not so good in Norwegian ...” - Inger Lise

It is therefore important that the organization focus on sending the proper message, and that they help the employees understand why things are changing the way they do. NG has achieved a common understanding of the importance of compliance, and has managed to implement the use of whistleblowing, and the routines of reporting illegal work.

“... I think they understand the value of it, however, we still have a long way to go before it is completely internalized, we have not reached our goals yet, it is a long-term work ...” - Hans Fredrik

The communication and transmitting of information have increased overall, thus the organizations need to see this as a continuous process.

“... I’m not wondering if there is something I am missing, I feel I receive the information I need. However, there may be others who perceive it

differently because it is very individual. Even though the screens are full of information, certain things are hard to get full information about. Perhaps they would be better off sending the information by mail ...” - Inger Lise

There are mixed feelings between the employees regarding how top management and managers share important information. They all agree that they receive the information regarding new actions, but they ask for more detailed information about the process.

“... We have already said to the management that we think it's bad - you have to. So, the information must flow better from the management down to us ...” - Fredrik

Changing the culture is hard on all levels of the organization and takes time and effort from everyone involved. The cultural change within NG is based on team effort and has, on a general basis, been a positive and successful transformation. By 2017 the organization could see results of the ten-year strategy that they implemented at the beginning of their clean-up.

“... We said changing the culture would be a ten-year effort, we are now in year six and the culture at NG has already improved greatly. Instead of a culture where employees say, ‘this is the way it has always been done’ and ‘everybody else does it’ we have nurtured a new culture of people asking, ‘why do we need to do it that way’. Our culture increasingly fosters cooperation and team spirit, and information is finally flowing freely, enabling good decision-making ...” - Osmundsen (Serafeim & Freiberg, 2017, p.1)

Consequently, NG’s financial results started to improve faster than its competitors - which may be a result of cultural changes and employee satisfaction. In fact, in 2017, NG was rated as number 19 on a list of the most reputable organizations in Norway.

“... The increase in employee motivation has also had a direct positive impact on our customers. Customer satisfaction is a derivative of all

employees doing the right thing along the value chain ...” - Osmundsen (Serafeim & Freiberg, 2017 p. 2).

Moreover, NG also increased its focus on environmental and societal sustainability. Both are orientated towards identity and economic growth. The term sustainability is not translatable into all languages, which can make it hard for some employees to truly understand the concept and the focus that lies within it.

“What do you mean, being environmentally friendly and such?”

- Inger Lise

As the industry structure was focused on waste as a problem, rather than a resource, as well as paying scant attention to compliance and sustainability, it is understandable that employees have difficulties understanding the terminology of sustainability. In other words, the organization has always been sustainable, but not as a highlighted and defined as it is today.

“... One can say that the recycling industry is sustainable by definition and it is important to keep this in mind. In relation to our employees, and their understanding of the culture, it is also important to remember that the term sustainable is not something new (...), if you've been working in this group for 30 years, you have worked with recycling of paper, iron and metals for decades, which is sustainability, and therefore the correct question is: “How can we make NG more sustainable? ...” - Hans Fredrik

The overall goal of the ethical turnaround was to influence the industry by being in forefront of the new way of doing business. NG wanted to expose themselves and admit to all illegal actions they had performed over the years. However, not only did they meet internal challenges regarding change, they also faced severe resistance from competitors, customers and authorities. This has been the main ethical dilemmas and challenge for NG. It is hard to be the leading actor in the waste management industry, trying to please everyone, and at the same time following all the laws and regulations regulating sustainable solutions. This business model results in a more expensive way of doing business, with subsequent higher prices for customers compared to their competitors.

“... I think it is fair to say that, at the moment we are not at the state where the playing field is leveled. As such, we are taking the extra cost for compliance, our competitors are not taking these costs, and the customers are not willing to pay a premium. So this is unsustainable. While we already see some positive impact on our financials from the changes we implemented, we have a long road ahead ...” - Osmundsen (Serafeim & Gombos, 2015, p. 1)

At the same time, customers are constantly requesting a greener way of doing business; thinking more about the environment. However, even if customers state the importance of sustainable products, one can argue that they do not spend enough time to control that production is actually environmentally friendly. Individuals are always facing the ethical dilemma between a sustainable production and lower price, which often results in weaker profitability than the competitors.

*“... Many of the sustainability problems in the industry would be rectified if only the customers would demand strict traceability and control of their waste fractions. All serious waste management companies can deliver proof of the end destination of waste volumes, but since customers are not demanding proof, unserious companies are still on the playing field ...”
- Osmundsen (Serafeim & Freiberg, 2017, p. 2)*

The Norwegian Government has during the last years started to change the laws making it harder for organizations to operate in an unsustainable way by choosing easy and cheap solutions, but they still have a long way to go to provide strong enough regulations to hinder corruption and non-compliance. NG is not satisfied with how the government is handling these issues and feels quite alone in aggressively trying to redefine industry standards and perceive this as one of its current main challenges.

“... We are struggling with dilemmas in the grey zones today. What are our competitors doing? Are they keeping themselves within the laws and regulations? Do the environmental authorities accept this or not? We

actually believe that they are not in accordance with the regulations - we also believe that the environmental authorities don't do their job. This has been the challenge before, but then it was handled differently, we did not solve cases the same way we did then compared to now ...” - Hans Fredrik

Positively for the continuous efforts to provide a sustainable waste management, new owners took over the organization in December 2017. This was a beneficial boost on their journey towards a more sustainable waste management. Summa Equity (SE) is a relevantly new established fund, which focuses its investments on four megatrends, ‘scarce resource’, ‘energy efficiency’, ‘technology change’ and ‘digitalization’, SE considered NG a suitable investment opportunity. Even though the organization received new owners, one of the partners, Indahl, was the brain behind the acquisitions from Veolia, and is now one of the owners of SE. This illustrates how much he, and the rest of the group, believe in the future for the organization.

“... There seem to be no fuzz this time, no one is shaking in their pants in fear of what is going to happen. We are not changing name, and Ingrid and Osmundsen stated that this was the best thing that could have happened to us. I trust them, and I like the owner of Summa Equity - I have heard that he is a good man and that he focuses on the workers, those who actually do the job! Instead of just thinking about the money, he actually thinks about the employees. I would say it is perhaps a good sustainable initiative ...” - Inger Lise

One can never know what the future will bring because of technology, trends, demands and digitalization, but it is important to continue to think about what is best in the long term, for NG as an organization, the customers, and for the society. It is safe to say that all of the employees we interviewed are optimistic and have a collective positive opinion of the organization's future:

“... We are the most environmentally friendly, and we have the best solutions for our customers. In the future we will make money on everything we do, much more than we do today. With regard to digitalization, it will affect this industry as well. I mean, people are so

afraid of robots taking over our jobs, but I mean, we need someone to watch over these robots, so I am not concerned about that ...” - André

“... I think we are going to become even bigger, I hope so! That we become bigger in the areas we are already known for, but that it does not cost us too much. However, I believe we need competition in this field, so I do not think that aligning together with our competitors will do any good ...” - Tormod

“... I do not think there will be much waste to sort in the future since the goal is to make customers recycle the waste before we receive it. Within 10-20 years, I think that more and more stringent requirements will have been set for our customers too. That, in fact, very much of the waste will be sent directly to factories, instead of being sorted and recycled by us ...” - Fredrik

“... I expect NG to expand. To be the leading and expanding company, but also to employ more people here (...). You can see that in the house of NG, they are moving forward. Since I first came to this country, I have seen a lot of changes. I am expecting the company to move forward in the next 20 years ...” - William

“... We are working hard with digitalization in NG, and hopefully our competitors will do the same. We will challenge new ideas into that area, and since our new owner have a focus on digitalization, and has it as one of their pillars, I think they will work with it in a sustainable way. Further, we have to think about resources and use resources several times and be sustainable on behalf of the world and the future to come. It is positive that they combine these megatrends as we do in NG. This will result in a giant opportunity, and which can be seen as a necessary vitamin injection in the industry in general. I think is very positive and gives a proper focus ...” – Ingrid

5.0 Discussion

5.1 Introduction to Discussion

In this thesis we posed several research questions. In order to investigate these, we studied an organization that claims to have sustainable implementation throughout the organization due to the major changes within top management, culture, structure and employees (Appendix 6). While NG had come a long way in terms of implementing new regulations and routines regarding the clean-up in the organization, we also uncovered some challenges associated with their work. Overall, we found that a high degree of complexity permeated their work, both in the concept itself, and in organizational structure and operations.

We further argue that the challenges presented in this thesis could to arise in any organization that aims to achieve all implementations and changes. We will discuss both top management and employees - and how they were affected. We believe that organizations that are brought with the intention to improve the organization and making it more attractive for future owners, will meet challenges. Leaders or organizations that find themselves in similar situations should therefore observe both the positive and negative aspects and look for comparable explanations as to why their businesses are unable to achieve an ethical and sustainable execution.

In this section we compare our findings with existing relevant literature, before we end with a discussion of the limitations and implications of our findings.

5.2 General Discussion

We interviewed two separate groups of employees; those who had worked at NG before Altor bought the organization, and those who started working there after the acquisition in 2011. Our expectations were to find a clear disagreement between the two groups and their narratives of the situation. We thought that the employees would have a lot of unexpected and unknown information to share with us, but this turned out not to be true. We honestly believed that we would meet employees from before 2011 who would explain to us how and why they considered, based on secondary sources, the unethical behavior that was going on as not morally problematic.

Therefore, we were convinced that (one of) the main ethical challenges facing NG were the illegal actions that came from moral neutralization, based on

Sykes and Matza (1957) view of the concept. They presented neutralization as the term of the justification process that “*precede deviant behavior and make deviant behavior possible*” (Sykes & Matza, cited by Kvalnes, 2017, p. 134). One can argue that these actions are evidence for moral misbehavior, since they result in environmental harm and unethical behavior. The internal investigation made by Osmundsen revealed that the employees dismissed the actions as morally problematic and gave different reasons for their behavior. The arguments he received during his many rounds of observation and interviews can be placed under the five categories of neutralization techniques by Sykes and Matza (1957). According to Kvalnes (2017) all five techniques seem to have been used by the employees interviewed by Osmundsen to justify the hazardous decisions. The investigation also revealed another justification, which is not part of the original framework of neutralization techniques. The employees involved convinced themselves that their actions were not in conflict with the regulations.

Additionally, one can argue that this is in the category of organizational misbehavior considering the benefits to the organization (Umphress, Bingham, & Mitchell, 2010 cited by Vardi & Weitz, 2016). This is commonly attributed to employees who are willing to break the law to protect the organization’s interest, i.e. the employees strongly identify themselves with their organization. However, we did not find any evidence of neutralization or misbehavior during our interviews, and one can argue that there can be several reasons for not receiving such stories. We have therefore decided not to elaborate further on this subject matter since our expectations were not in accordance with our findings.

We received a lot of different stories from our interviewees since we used a semi-structured interview method, but one can say that the narratives of change were consistent among all employees. All had a common understanding of the turnaround, which according to Ricour (1984, cited by Rhodes, Pullen, & Clegg, 2009) is a natural outcome since individuals experience situations differently. We believed that this may have something to do with individual knowledge about NG, their personal interest for the organization, and what information they have received. For us it seemed that all the employees we interviewed had the same, shared story, which based on Rhodes and colleagues (2009) theory regarding narratives of change, has something to do with the effects on telling a story. If there is a dominant, shared story circulating, it can obstruct the spreading of other interesting stories and possible alternative meanings by others. Thus, if there is a

common story told within an organization, the organizational environment adapts to this story and seem to neglect its own. This is an important finding because rumors were the most important channel of communication before the turnaround. One can say that the narratives of change we received were consistent and pervasive throughout the organization.

As our findings indicate, implementing change in a complex and large organization entails numerous obstacles. Given the size and former state, the various implementations can be viewed as a large-scale change initiative that involves significant alteration of elements such as structures, routines, beliefs and social relations (Huy, 2001). Former literature acknowledges how to better understand and identify how organizations deal with change. A narrative of change approach is often used where one aim to evoke narrative accountants to receive a holistic picture of the situation (Transformative Social Innovation, 2017). During our interviews, we found that most of the employees were satisfied with how top management handled the situation by being honest and open about the issues at hand. The greatest reason for this was definitely how Osmundsen took charge and handled a situation that no one had faced or solved before.

According to Kanter (2004, cited by Sims, 2017, p. 4), a new leader is an important factor when it comes to a turnaround because it “*symbolizes to everyone in an organization that the weight of the past can be left behind*”. Kanter (cited by Sims, 2017) often compares a new leader as a ‘new broom’ that will lead the whole organization in a different direction. Further, Sims (2017) argues that a successful ethical turnaround usually requires a new leadership containing someone not previously employed in the organization. As a result of the organization’s program to eliminate illegal actions and improve sustainability a new management, vision and mission were implemented, and the whole organization was turned around on a new course. This involved 40 new rules in 2013 that aimed at making the company a sustainable and 100% clean waste management organization. We agree with this comparison provided by Kanter (cited by Sims, 2017), and based on our findings, we observed how all the interviewees were satisfied with Osmundsen and the way he treated his employees. He was definitely perceived as a highly important person for NG and seen as a front figure oriented towards values and finding identity, rather than simply striving for economic gains.

We noticed, however, when comparing existing literature with our findings, that even though the employees were generally satisfied with the way the situation had been handled, they admit to being quite frustrated in the beginning due to the poor communication of the change message. Armenakis and Harris (2001) argue that the change message is not always conveyed properly. This can cause annoyance and uncertainty by the employees with top management and other involved. Our findings revealed some lack of communication, that can be illustrated by an episode in 2012: some employees came back to work after vacation. They found that their jobs had been given to somebody else - often a former competitor. The interviewees explained that there was total chaos because Altor continued to buy other organizations which suddenly were part of NG. This influenced the culture and climate, and one can argue that a hostile environment was created in which, the employees were both uncertain and scared.

Theory argues how climate is an evident subject of matter, based on Ekvall (1983, 1987), the climate is described as the feelings, beliefs and behavior patterns that describes the life within the organization (Ekvall, cited by Isaksen, 2011). Culture represents the traditions, beliefs, history and values within an organization, which can be seen as the building bricks or the fundament of what it has become (Isaksen, 2011). For NG's case one could find divergent cultures as a result of numerous acquisitions and the culture was built around the employees, not the tasks. Langley and Denis (2006) argue how large structural changes may be initiated as planned and structured, but the project has to include many small emergent changes as it is impossible to plan everything. In emergent changes minor changes are part of constant improvement (Weick, 2012), that progressively occur in daily work interactions (Langley & Denis, 2006), for instance by uniformly changing the culture (Burns, 2004). Our findings obviously exposed how there was a need for change in the culture of the organization, especially after the discovery of all the ethical issues. NG went from having cultural conflicts to obtain a collective environment. Top management needs to evaluate multiple indications of their strategic decision-making processes and how to incorporate them to all layers of the organizations, while maintaining a long-term perspective (Bonn & Fisher, 2011). To accomplish a successful change, the leaders in an organization needs to listen to the employees and meet their conditions. The employers cannot achieve change by themselves; they are dependent on the employees to do this too.

Though top management initiated a ten-year effort for cultural change, they noticed a great transformation after only six years (Serafeim & Freiberg, 2017). We argue that the reason for this was the implementation of a stricter regime and a policy with stricter rules and new regulations, and the important compliance program. The compliance program included all the partners outside the Nordic region and controlled anti-corruption, code of conduct, anti-competitive behavior, and focus on the consequences of breaking these standardizations. Understanding, knowledge and anchoring slowly increased, as top management's commitment and strategies increased.

Today one can recognize a stronger focus and investment, in which numerous employees dedicate their time and engagement to the organization. Regular follow-ups by the CEO and managers, signalizes that top management prioritize and view the initiative as important and have an optimistic and indicative belief about a clean and sustainable waste management. Armenakis and colleagues (1993) suggests this type of initiative to be an influence strategy to increasing readiness (Armenakis, Harris, & Mossholder, 1993, cited by Jones, Jimmieson, & Griffiths, 2005). Further, argued strategies for producing and creating readiness is external source, active participation and persuasive communication (Armenakis et. al., 1993, cited by Jones et. al., 2005). By inviting all to active participation and engagement, have a clear communication through their intranet and magazine, as well as social platforms together with physical visits, create the symbolic message of communication that is essential. However, one will always find different opinions regarding the same concept, and as our findings showed, we found both positive and negative aspects of how the employees perceived communication within the organization. Top management claim that all accessible channels are used, but not all employees find that enough. However, blaming top management for not transmitting information properly can be seen as quite a poor excuse for not taking the time to actually obtain the information you need.

Based on the discussion above, we are left with the impression of an overall positive and consistent motivation from the culture change and a definite agreement that there is no wish to return to the chaos of 2011. However, we did not find relevant literature evidence that particularly emphasizes the importance of middle management's involvement in connection to sustainability.

An organizational culture can be hard to change but being reluctant to change the culture can cause harm for the organization's future, regarding sustainability and value creation (Paraschiv et. al., 2012). Baumgartner (2009) argues that organizations should aim to develop an organizational culture that is sustainability-oriented, since this can help and steer employee's behavior and provide operationalizing sustainability into daily routines. Sustainability oriented organizational culture is defined as "*an organization where members have common beliefs and opinions about the importance of balancing economic efficiency, social equality and environmental responsibility that are guiding managers and employees in their behavior and their decision-making processes*" (Paraschiv et. Al., 2012, p. 408).

Additionally, Bonn and Fisher (2011) indicate how several organizations have shifted from merely acknowledging their responsibilities to also comprehending the many potential benefits of corporate sustainability. Accenture revealed in 2016 that 89% of the leaders that participated in a survey, stated that commitment to sustainability translates into real impact in their industry. Hence, working towards a more sustainable world is not charity, but rather a way for the organization to find a strategic positioning to reach financial payoffs. However, no company would choose a sustainable solution above profit and therefore NG strives to find new solutions that include both. One can no longer just ask why an organization should focus on sustainability but ask: "How do organizations in the waste management industry become sustainable?".

Further, Bonn and Fisher (2011) argue that complexity and sustainability are closely related. Engert and colleagues (2016) specifically claim, "*reducing complexity is likely to be one of the core issues in sustainability implementation*". This, as our findings indicated, was also evident and we found uncertainty and misunderstanding connected to the concept of sustainability and its strategic positioning to reach financial payoff. Without a mutual understanding of the new directions and changes employees may struggle to relate to the organization's strategy. Decreasing complexity by generating mutual understandings and increased comprehension through training and communication of information is frequently addressed in the literature (Bonn & Fisher, 2011). In addition, organizational learning is, according to Siebenhüner and Arnold (2007), a key element to effectively implement changes and make the organization more

sustainable. Further, former literature argues that the new ethical goals will be reached through the actions of all employees and not only the few in upper management (Sims, 2017).

We argue that the importance for a sustainability-oriented organizational culture is not only important within the organization but is invaluable when operating and consulting with clients. In other words, this should be an essential focus and our findings showed how NG could assist clients to reduce their costs by half a million NOK by focusing on sustainable solutions. However, even if some solutions will contribute to a greener way of doing business they will not automatically result in lower prices. Some clients are focusing on sustainability and are therefore willing to invest in new solutions, but NG has also lost contracts as a result of higher prices. Even if their customers, both clients and end-consumers, state the importance of sustainable products, one can argue that they do not spend enough time to check that the work is actually done in an environmentally friendly way. Individuals are always facing the ethical dilemma between a sustainable production and lower price, which one can argue that often result in prioritizing the lowest price.

“Much more harm in the world is caused by businesses is due to violation of laws or ethical norms, rather than by absence of business philanthropy” (Windsor, 2016, p. 146), and therefore, it is important to be concerned with moral leadership and CSR. One can argue that many of the ethical problems of the waste management industry would be rectified if only the customers would demand the organizations operate more transparency. Hence, since customers do not insist on proof from waste management organizations, unserious organizations are still operating in the grey zone. Because of this, NG is constantly pushing the Norwegian Government to redefine the industry standards by making new laws and regulations. However, NG is satisfied with the way in which the government addresses these issues and hopes that the industry will begin to see the benefits of operating in a sustainable way and stop to choosing easy and cheap solutions. The various waste management options can be organized by using a framework to measure sustainability, i.e. triple bottom line, which actively contributes to the economic, social and environmental goals of sustainable development (Steurer et al., 2005).

Finally, one can argue that employees in organizations, which operate in a grey zone, are obviously hoping not to get caught. Yet one reads about new ethical scandals frequently, and they seem to never end. One would think that the negative consequences of being caught would prevent these actions, i.e. damage of reputation, large fees - but unfortunately not. Even so, just one poor decision may result in the same consequences as an unethical integrated business model. However, when NG was faced with challenges that concerned ethical issues, they were very quick and honest in coming forward with their difficulties. Sims (2017) gave advice on the challenges provoking new leaders who have the responsibility of restoring trust, rebuilding reputation, and turning around an organization because of an ethical scandal. Even if his theory mainly consists of organizations being caught because of unethical scandals, one can use it in reverse. Based on this, one can argue that Osmundsen had a proactive leadership approach and that he created an organizational environment to rebuild and implement ethical behavior as part of the turnaround process. This resulted in transformation for the organization, where it went from lack of cooperation and silo thinking, to increased motivation and employees pulling the same direction (Appendix 6).

6.0 Limitations and Implications

We acknowledge that this thesis has several limitations. Firstly, the turnaround we examined is still ongoing, in accordance with the ten-years program; therefore, we cannot identify the final outcome (Serafeim & Freiberg, 2017). Secondly, only eight participants were interviewed, which may be argued as not being an adequate number with regard to the reliability aspect and the consistency of measure. Conclusively, we realize that this case may be discussed from several theoretical perspectives. However, it was essential to clearly present the main findings and answer our research questions.

We found several managerial implications during this study. The increase of ethical failures during the last years has resulted in the popular and academic press on business ethics (Sims, 2017). Although we found support for how to maneuver an organization that has been caught performing illegal activities i.e. employee involvement, proactive leadership, education, rebuilding and sustaining reputation, we did not find literature that specifically emphasized the importance of organizations that came forward and admitted their failures - and how this

helped them back on track. We believe that theories including how to help organizations like NG are important contributions to the literature because they may be a first step to admitting illegal actions before getting caught. It would be interesting to look deeper on the consequences of coming forward versus getting caught, and we recommend future research on the subject

Further, several of our discussions above were connected to the importance of a fully integrated strategy addressed to all levels of the organization. Top management is ultimately responsible for the direction taken by the organization and a lack of interest or without its full commitment, complete implementation of sustainability is almost impossible. Theories argue that organizations and managers are often guided by financial returns which may be problematic in terms of a new course (Engert et. al., 2016). However, we found that the new top management with Osmundsen was personally engaged in the turnaround and did not find the financial returns conflicting. Altor instantly introduced a 100-day program and began to implement procedural changes in order to push NG into compliance (Serafeim & Gombos, 2015). NG used 2013 to clean up the organization and invested NOK 100 million in order to achieve this, in addition to NOK 50 million in 2014 (Appendix 6). Based on this, we argue that we found a gap in the existing literature by Engert and colleagues (2016) and hope that someone benefit from studying this further.

Finally, we argue that middle managers play an important role as intermediaries in internal communication including the correct dissemination of messages, strategies, and important information. On a daily basis, it is the middle managers responsibility to carry out the two-way communication between the strategic level and the operational level. Based on the information we have obtained, we understand the concern of not attaining the information you need; however, we also argue how we perceive it as a mutual responsibility. Bonn and Fisher (2011) state how this implies adequate training of middle managers in order for them to appropriately mirror the intentions of top management.

“Employee involvement is key to successful change management.

Do it with them, not to them”

- Torben Rick, author; business improvement, organizational culture,
and change management -

7.0 Conclusion

Our aim with this master thesis is to contribute to the literature on sustainability and ethical turnaround, present the narratives of change told by the employees of NG, and define the differences between then and now. We believe that this study provides challenges that are likely to arise in the process of implementation and changes within an organization. The problems Osmundsen identified are not uncommon and are strongly connected to the desires of being role model and trying to accomplish the 'impossible' goals which can impel employees to act in a way that can be reflected by fallibility - acting contrary to one's convictions and beliefs.

NG discovered human mistakes in the past, and the organization as a whole decided to learn from the different actions and used it to become better. The fact that they decided to come clean and be open about all illegal issues helped them to maintain their market share. Because of their transparency regarding illegal actions, they did not end up having difficulties. We argue that it is impossible for a large organization to successfully complete all changes that are planned and structured. Even if they have had some struggles during the years, one can argue that the way they handled the situation was an important step in the right direction, and the organization can be viewed as a role model. All the theories and findings used in this study contribute to understand and identify NG's journey towards sustainable waste management.

A frequently known limitation of qualitative research is how hard it is to define what is right and wrong. The reason for this is that all organizations are unique, and it will be wrong to generalize across all the different organizations. Even though NG's situation is unique, we find existing elements that are similar, if not comparable, to other organizations. One can argue that leaders who find themselves in similar situations; violating social, moral or legal codes, as demonstrated in this thesis - may benefit the organization from approaching the concepts discussed in our study. Even if we found relevant theories that helped us identify and discuss the challenges linked to new implementations and changes within an organization we found gaps in existing literature. We suggest that further research should focus on how to overcome an ethical turnaround when the organization themselves inform about the actions, both by investigating similar cases and in-depth studies on how to successfully handle these challenges in practice. The world is constantly working towards a more sustainable and

environmental society, and the concept has become the defining challenge of our time. We therefore encourage managers, professors, students and customers to be a part of the solution.

Throughout our research we found certain situations and obstacle components, i.e. absence of control and communication, ‘unsustainably sustainable’, uncertainty and misunderstanding connected to the concept of sustainability, culture conflict and poor managerial control, that may have reduced the effect of the implementations. We argue that our findings may help NG and organizations in similar situations to reduce the complexities that surround ethical turnaround. This may in turn provide a better understanding of efforts to implement sustainable strategies. We found how that change message and involvement from all employees are crucial incentives in the journey towards a sustainable business. Further, we believe that trust to the new owners, top management, and middle managers play a key role when an organization is changing its identity. However, we did not find relevant literature that particularly emphasizes the importance of middle management’s involvement in connection with sustainability and call for future research for this subject. Today we see a common understanding and desire within the organization with the aim of continued improvement. We identified a stronger ownership towards NG among the employees with an optimistic future for the organization.

“If you think you’re too small to make a difference, you’ve obviously never shared a sleeping bag with a mosquito!”

- Lucy Siegle, British journalist and writer; ethical and green living -

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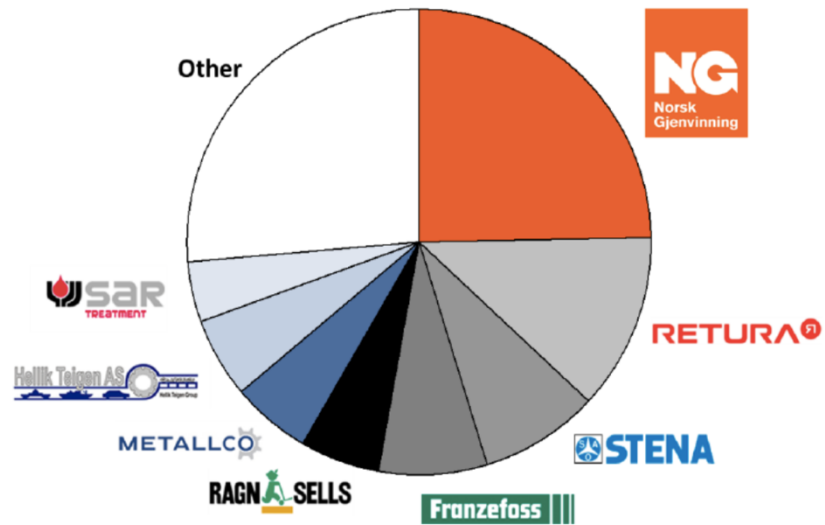
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Appendix Appendix 1

Exhibit 2 Share of Waste Management Industry Revenues in 2012



Source: Company documents.

Source: Company document, cited in Serafeim, & Gombos (Turnaround in Norsk Gjenvinning, 2015, p. 19.)

Appendix 2



Altor bought NG in 2011
At aquisition:

many known challenges, but also many not anticipated

Challenges - known

- Weaker **profitability** than competitors
- **Organisation and culture** built around people, not the tasks
- Divergent **cultures** as a result of numerous acquisitions
- Lack of **cooperation** and silo thinking, many conflicts
- Limited understanding of **common goals and strategies**, decisions based on gut-feel and political considerations
- **Rumours** as most important channel of communication
- Lack of **consequence** management



Challenges not anticipated (management findings in 2012)

Proud industry – but with dark shadows

- **Corruption, financial fraud, theft**
- **Illegal handling** of hazardous waste
- **Illegal waste export**
- **Anti-competitive** behaviour
- **Serious breaches** of regulations



12

Source: Mørch, T., (2017) Ethics and self-policing in the waste management industry – time for clean-up! [PowerPoint presentation]. Retrieved from: <https://bi.itlearning.com/ContentArea/ContentArea.aspx?LocationID=12459&LocationType=1>

Appendix 3

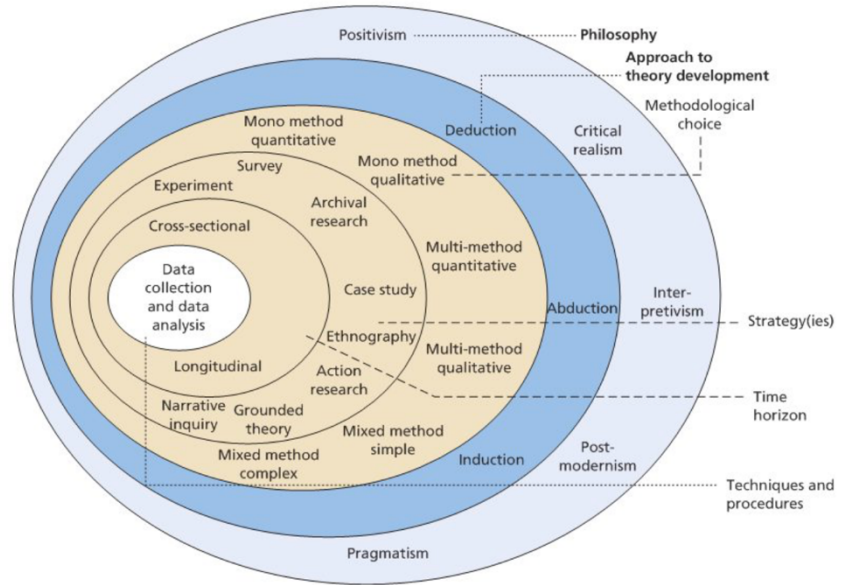


Figure 4.1 The research 'onion'
 Source: © 2015 Mark Saunders, Philip Lewis and Adrian Thornhill

Source: Saunders and colleagues (2016, figure 4.1, p. 124).

Appendix 4:

Marianne Kellmer <Marianne.Kellmer@ngn.no>
 til meg, Rebecca

ons. 10. jan., 12:59

Hei!

Godt nytt år til dere også! Håper dere har hatt fine juledager og er godt i gang med 2018!

I 2017 var det 79% som svarte på medarbeiderundersøkelsen – det er tre prosentpoeng bedre enn i 2016 der 76% av medarbeiderne svarte på undersøkelsen.

Lykke til med studier og en spennende masteroppgave! Det blir rart å slutte å NG men samtidig begynner jeg å glede meg veldig til å starte i Scandic Hotels!

Ha det fint!

Med vennlig hilsen
 Norsk Gjenvinning AS

Marianne Ulland Kellmer
 HR-sjef
 Telefon 46 40 92 83

Fra: Anne Charlotte Gundersen [mailto:annechgundersen@gmail.com]
Sendt: 10. januar 2018 10:35
Til: Marianne Kellmer <Marianne.Kellmer@ngn.no>
Kopi: Rebecca Arntsen <Rebeccaarntsen@gmail.com>
Emne: Re: Preliminary Master Thesis

Source: Mail from HR-Director, NG (2018)

Appendix 5



Clean-up in NG: What did we do and what were the consequences?

What have we done?

- New direction – Vision and Values – Policy
- Decision time – Amnesty and zero tolerance
- “Swipe before one’s own door” – 40 concrete initiatives
- Building culture

What was the consequences?

- 100 MNOK in costs in 2013; 50 MNOK in 2014
- 44 % change in top management in 18 months
- Loss of customers to competitors with “different” standard

More positive effects

- Employees pride = dedication and productivity
- A strong voice to influence the industry development
- Reward in the financial markets
- Increased awareness and recognition from customers and stakeholders




Source:

Mørch, T., (2017) Ethics and self-policing in the waste management industry – time for clean-up! [PowerPoint presentation]. Retrieved from:

<https://bi.itslearning.com/ContentArea/ContentArea.aspx?LocationID=12459&LocationType=1>

Appendix 6

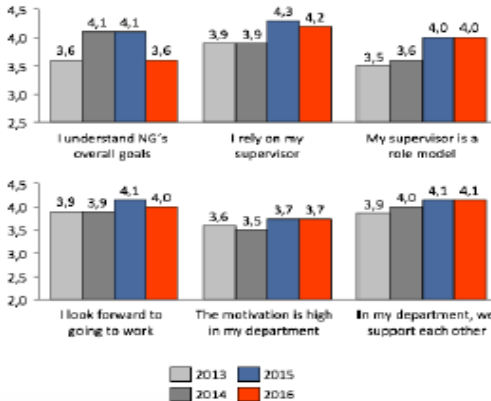


Increased motivation and employees pulling the same direction

Examples on positive effects

- Increased **understanding of objectives** and context of own tasks
- Increased **confidence** with leaders and subordinates
- Increased **satisfaction and motivation**
- Increased **cooperation**
- Employee **pride = dedication and productivity**

Response from employee satisfaction survey (examples)



Statement	2013	2014	2015	2016
I understand NG's overall goals	3,6	4,1	4,1	3,6
I rely on my supervisor	3,9	3,9	4,3	4,2
My supervisor is a role model	3,5	3,6	4,0	4,0
I look forward to going to work	3,9	3,9	4,1	4,0
The motivation is high in my department	3,6	3,5	3,7	3,7
In my department, we support each other	3,9	4,0	4,1	4,1

Source: Mørch, T., (2017) Ethics and self-policing in the waste management industry – time for clean-up! [PowerPoint presentation]. Retrieved from:

<https://bi.itslearning.com/ContentArea/ContentArea.aspx?LocationID=12459&LocationType=1>