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ORIGINAL PAPER

Are We All Willing and Able? Exploring the Intra-Organisational Dynamics of Substantive vs Symbolic Adoption of Sustainability Standards

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Abstract
A large stream of studies has documented varying levels of adoption of sustainability standards (from the symbolic to the substantive), emphasising the organisational-level decoupling processes in the face of external normative pressures. Yet, such calls presuppose organisational actors consciously, collectively, and strategically articulate a *modus operandi* consistent with a decoupling approach. In this paper, we offer an alternative view by arguing that the extent to which sustainability standards are adopted resides at individual and group levels. Based on the case of a family-owned multinational company and relying on Durand et al.'s (2019) framing and social identity theory, we ask: how does social identity(ies) shape the willingness and ability to adopt (substantively or symbolically) sustainability standards? Following interviews with managers, a survey of employees, and a review of internal documents, the findings reveal that despite the group of sustainability promoters' ability and willingness to adopt standards substantively, broader organisational change remained uneven. Specifically our findings suggest that organisational responses are likely to be symbolic when: (i) when individuals do not consider membership in the promoter group to be salient and are less likely to prioritise and internalise its norms and values over external ones; (ii) the promoters' group does not assume the prototypical leadership role; (iii) there is little or no recognition of the presence of multiple social groups, each with their own distinct identities; (iv) ethical dilemmas (e.g., respecting subsidiaries' autonomy versus enforcing alignment, and balancing sustainability values with fiduciary duties to shareholders) are not addressed. This paper contributes to the literature by cautioning against an oversimplification of judgments about symbolic versus substantive organisational responses.

Keywords Sustainability standards · Sustainability understanding · Substantive adoption · Symbolic adoption · Social identity theory

Introduction

'Sustainability standards' refer to a broad spectrum of practices designed to formalise and validate an organisation's commitment to social and environmental issues (Boiral, 2012; Montiel et al., 2019; Vigneau et al., 2015). Extant literature suggests that organisations often adopt these standards in response to normative pressures (Christensen et al., 2017; Howard-Grenville, 2006; Jamali, 2010; Perez-Batres et al., 2012), though the degree and nature of adoption vary considerably amongst organisations and are typically conceptualised from the substantive to the symbolic. Although some nuances exist, a *substantive* adoption not only means the ability to produce documentation of some actions, but also entails internal material changes through managerial and employee actions and behaviours; while *symbolic* adoption refers to mere promises to implement such changes or activating only nominal, and sometimes unethical, actions aiming only to produce impressions of material changes. Wide-ranging and sustained evidence of not 'walking the talk' (Christensen et al., 2017; Greenwood & Freeman, 2018) has led to debates about the need for (more) formal

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regulation and tighter externally defined norms to be adhered to by organisations (Perez-Batres et al., 2012; Vigneau et al., 2015).

Although we understand the merit of scrutinising the adoption of sustainability standards from an external stakeholder perspective, we argue that this framing overlooks internal organisational dynamics related to the existence of groups within organisations and individual-level perceptions, which can contribute to a misalignment between intentions and actions. In other words, inconsistencies between "talk" and "walk" may arise from these underlying misalignments rather than from a conscious act to deceive. While some studies have sought to problematise these discrepancies by highlighting the role of internal actors (Argento et al., 2022; Howard-Grenville, 2006; Nesterova, 2020; Soderstrom & Weber, 2019) or the categories of standards (Behnam & MacLean, 2011), we contend that there remains a limited appreciation of how organisational actors conceive of, and act upon, the substantive-symbolic spectrum in the context of adopting sustainability standards.

Extending this line of inquiry, we find a fruitful path in the work of Durand et al. (2019), who theorise that substantive and symbolic behaviours flow from an organisation's willingness (known as 'issue salience') and ability (resources and net benefit of action) to respond to sustainability imperatives. We contend that 'willingness' and 'ability' have so far been mainly illuminated at an organisational level rather than at an individual's or group's one (Durand et al., 2019; Mitchell et al., 1997). Building on Durand et al. (2019), we therefore extend the notions of willingness and ability at the intra-organisational level. This framing posits that an organisational willingness and ability to act substantively originates from individual dispositions and group norms and values. Very few researchers have explored, this issue in the context of sustainability initiatives (Haack et al., 2012; Howard-Grenville, 2006; Kok et al., 2019). Notably, groups within organisations emerge when individuals, regardless of their positions/roles in the organisation, could coalesce through a shared sense of belonging to a group identity, mutual influence, and/or direct interaction, activating sustainability-led behaviours in line with this identity (Hogg, 2016a; Howard-Grenville, 2006).

To examine willingness and ability at both the individual and group levels in the field of sustainability, we draw on social identity theory (Brown, 2000; Hogg, 2001, 2016a, 2016b; Stets & Burke, 2000). Social identity theory postulates how an individual's identification with a group can drive the process of self-categorisation (Hogg et al., 2012; Hogg, 2001, 2016a, 2016b) as the basis of the cognitive internalisation of a group norms and values (Brown, 2000; Stets & Burke, 2000). Through identification and self-categorisation, individuals seek recognition as members of a social group and align their attitudes with its prototypical leaders and normative expectations (Byun & Kim, 2017). However, only when these norms become internalised or embedded within the individual's stable and durable disposition (Hogg et al., 2012), do they translate into enduring, practice-oriented sustainability behaviours. This distinctively allows for the linking of formal identity alignment to a deeper, embodied internalisation of sustainability norms and values. Recognising that willingness and ability can originate from social identities and operate at different levels and across distinct social groups offers a more nuanced interpretation of the ethical judgements associated with a symbolic (or substantive) adoption of sustainability standards. Such adoption may thus stem from complexities within the organisation rather than merely reflect a 'monolithic' organisational-level intention to adopt symbolic and/or substantive practices (Soobaroyen & Ntim, 2013).

Specifically, we contend that willingness and ability emerge at individual and group levels from the social identity alignment (or misalignment), that is, an alignment between individual dispositions and group norms that conditions how organisations respond to normative pressures and thereby shape sustainability behaviours. *Willingness* incorporates an alignment between individuals' disposition and the collective readiness of groups to embrace sustainability norms and values, while *ability* encompasses the need for available resources, competencies, and structural support to underpin willingness. Collectively and ultimately, these factors reflect the spirit in which standards are adopted, symbolically or substantively. Hence, by drawing on Durand et al. (2019) and social identity theory (Brown, 2000; Stets & Burke, 2000; Hogg et al., 2012, Hogg, 2016a), we aim to explore the internal dynamics underpinning the symbolic and substantive adoption of sustainability standards. This leads to our research question:

> *How does social identity(ies) shape the willingness and ability to adopt (substantively or symbolically) sustainability standards?*

To address our research question, we conducted a single case study that enables theoretical depth and explanatory richness (Yin, 2018). The organisation, Alpha, was chosen as a revelatory and critical case (Yin, 2018). Initially established as a family business, Alpha is a European MNC *seeking to adopt* various sustainability standards (e.g., the Global Reporting Initiative (GRI), certifications by the International Organisation for Standardisation (ISO)) and related practices (Non-Financial Disclosure, NFD) across the *organisation*. Since an interplay between ability and willingness (Durand et al., 2019) is particularly complex and even paradoxical in some organisational contexts, such as multinationals (Jamali, 2010), this case study is a promising setting to explore our research phenomenon. Its distinctive context and in-depth exploration allowed us to document intra-organisational dynamics in the sustainability field across different national settings (Behnam & MacLean, 2011; Fortwengel, 2021; Kok et al., 2019). From the methodological standpoint, a triangulation of data from multiple sources has been adopted. Thus, documentary analysis, interviews predominantly with managers, and a survey of employees enabled relatively comprehensive insights into the diverse understandings of sustainability and identified the roots of the tensions in the sustainability field at the group and/or individual levels. The findings were analysed conceptually across levels (individuals and groups) to show how individuals' internalised dispositions and group norms and values help shape their interpretation of sustainability and in turn, how such interpretations influence the adoption of sustainability standards.

Our overall findings reveal misalignments in the issue salience of sustainability and in identity across groups, which hinder the substantive adoption of sustainability standards in Alpha. When the identity of individuals is not aligned with the identity of the group of sustainability leaders-promoters (Hogg, 2001, 2016a), the issue salience of sustainability remains low, and individual behaviours tend to remain largely detached from sustainability norms and values, leading to symbolic rather than substantive forms of adoption. Such misalignment is likely to occur in the absence of reward mechanisms for groups and individuals who embrace sustainability norms and values. Moreover, paradoxically, the very freedom granted by the group of sustainability promoters to organisational actors may turn into external forces (Byun & Kim, 2017) that undermine the influence of these norms and values, as their salience may go unrecognised and, consequently, sustainability adoption tends to become symbolic. This dynamic suggests that when sustainability-related norms are framed as optional rather than mandatory, they are less likely to become routinised in an organisation's daily practices. In other words, freedom without reinforcement may preserve existing dispositions and reproduce the prevalent mentalities, thereby constraining the transformative potential of the efforts by sustainability promoters.

With this research, we seek to contribute to the literature, firstly in relation to the substantive vs. symbolic dichotomy of organisational responses to normative pressures (Durand et al., 2019; MacLean et al., 2015; Perez-Batres et al., 2012).We show that the organisational willingness and ability to adopt sustainability standards largely depend on the internalisation of relevant norms and values (Hogg et al., 2012), that can be favoured by the presence of prototypical leaders (Hogg, 2001) influencing the individuals' self-categorisation as being in the 'in-group' (Hogg, 2016a, 2016b; Stets & Burke, 2000). In this regard, when such internalisation is weak or uneven across organisational groups, sustainability initiatives are more likely to remain symbolic. Conversely, when identity alignment is strong, the conditions for substantive adoption become more propitious.

Secondly, we contribute to the business ethics literature (Frisch & Huppenbauer, 2014; Greenwood & Freeman, 2018; Hogg et al., 2012; Zhu et al., 2016) by highlighting two nuanced ethical dilemmas that arise in organisational responses to sustainability standards. The first dilemma outlines the ethical tension between granting subsidiaries autonomy and achieving a substantive adoption of sustainability standards. In the case study, while autonomy reflects the leadership's moral commitment to respecting diversity and local decision-making, it has hindered the organisational and behavioural changes required for substantive adoption by fragmenting the sustainability leadership identity. The second dilemma refers to the managers' willingness and ability to substantively embrace sustainability standards is subject to a tension between their fiduciary/stewardship responsibility to manage shareholders' investments and their personal commitment to sustainability values. Through these considerations, our study challenges mainstream ethical critique that portrays the symbolic adoption of sustainability standards in a uniformly negative light. Instead, we show that the leadership's ethical commitments and managers often grapple with dilemmas between respecting subsidiaries' autonomy vs. enforcing sustainability standards, and between longer-term sustainability objectives vs. stewardship responsibilities towards shareholders.

We argue that our insights convey managerial implications, notably the necessity for organisational leaders to foster cross-group participative mechanisms to promote a genuine adoption of sustainability standards. Involving subsidiaries and diverse managerial voices in strategic discussions can promote a shared identity across contexts. At the policy level, the findings point to the need for closer alignment between shareholder expectations and sustainability goals. Increasing shareholders' literacy relating to the strategic benefits of sustainability may, in turn, empower managers to pursue these goals without undermining their ethical commitments to shareholders (Bueno-Garcia et al., 2022). Finally, a sustainability-oriented leadership requires the backing of a prototypical promoter group capable of fostering in-group identification and attentiveness to ethical tensions.

The remainder of this paper is organised as follows. The next section provides a review of the existing literature, followed by the theoretical framework. Thereafter, we present the research methodology, along with the specifics of the case study. Upon providing the findings and analysis, we then elaborate on our overall discussion, conclusion, and implications.

Underlying Dynamics of the Sustainability Standards Adoption

Substantive Versus Symbolic Adoption of Sustainability Standards

In this study, we refrain from focusing on one specific set of sustainability standards. Instead, we collectively see them as a range of tools and practices which intrinsically seek to drive meaningful organisational actions in the field of sustainability. Contemporarily, the sustainability standards-setting landscape encompasses a range of pronouncements, frameworks, and organisations, such as the International Sustainability Standards Board (ISSB) (Baboukardos et al., 2023), the GRI (Vigneau et al., 2015), ISO certifications (Boiral, 2012; Montiel et al., 2019; Sandholtz, 2012), the Dow Jones Sustainability Index (López et al., 2007; Searcy & Elkhawas, 2012), the Environmental, Social, and Governance (ESG) scores (Chelli & Gendron, 2013; Reber et al., 2022) collated and developed by sustainability ratings agencies (e.g., Morgan Stanley Capital International, MSCI), Social Accountability (SA) certifications, and many others. Whereas many of these standards help organisations prepare sustainability reports, which recently became mandatory in Europe for large companies (i.e., Corporate Sustainability Reporting Directive), others establish specific criteria to certify products, systems and companies (e.g., ISO 14001 on establishing an environmental management system).

Although sustainability standards seek to shape the do's and don'ts in the sustainability arena (Christensen et al., 2017, p. 241), 'adoption' per se does not indicate a deep commitment to sustainability or ethical values of the organisation. Importantly, the latter *starts* rather than *ends* with the *diffusion* and adoption of standards, which points to the necessity to embed them in the organisation's internal everyday practices (Haack et al., 2012). Hence, the desired outcome for standard-setting institutions is the generation of substantive and material engagement within organisations, leading to what Haack et al. (2012) refer to as *entrenchment* (implementation and perpetuation of sustainability practice) and *narration* (actors converging towards a socially shared meaning of sustainability standards' adoption). In this respect, the credibility that comes from the standards' endorsement and sustainability declarations is related to moral concerns reflected in daily operations (Christensen et al., 2017) and aligned with behaviours (Weaver et al., 1999). Intuitively, this involves the implementation of deep-seated material changes in goals, structures, and processes (including training programmes) that are not easily reversible (Durand et al., 2019). Yet paradoxically, there have been indications that the adoption of such standards remains largely disconnected from the organisations' internal practices (Boiral, 2012; Howard-Grenville, 2006; Jamali, 2010; Perez-Batres et al., 2012; Vigneau et al., 2015). Numerous empirical evidence reveals that organisations tend to respond to external pressures in a symbolic manner by ceremonially signalling compliance with standards, promising to implement nominal changes or showing visible actions to impress external stakeholders, including investors and regulators, instead of focusing on how to change substantively by acting on the behaviours of internal stakeholders (Clementino & Perkins, 2021; MacLean et al., 2015; Reber et al., 2022; Sandholtz, 2012; Soobaroyen & Ntim, 2013).

Prior studies also note that when organisations make a general and nominal commitment to sustainability issues (i.e., symbolic adoption), there is a decoupling (or loose coupling) between what they convey externally and the efforts needed internally to implement substantial deep-seated organisational changes, efforts they see to be costly and/or impractical to pursue (Behnam & MacLean, 2011; Boiral, 2012; Chelli & Gendron, 2013; Jamali, 2010; López et al., 2007; Vigneau et al., 2015). Jamali (2010) points out that during such a ceremonial adoption, organisations introduce changes merely in their formal structures, while processes and work activities remain undisturbed. Behnam and MacLean (2011) further argue that the likelihood of such decoupling depends on the type of standard: when standards entail clear structures, high adoption costs (e.g., third-party audits and verifications), and require demonstrable evidence of compliance (e.g., assurance mechanisms, sanctions, and reporting), organisations are less interested in decoupling and are more likely to adopt them due to internal ethical commitments and the pursuit of a credible external image. Likewise, a large stream of literature witnesses the existence of resistance to changes that translate into isomorphism and ceremonial/ritualistic behaviours that only have a limited effect on organisational actions (e.g., Chua & Rahman, 2011; Hahn et al., 2015).

Arguably, these nuances are particularly pronounced in MNCs, where "extreme heterogeneity makes it difficult for shared norms and values to emerge" (Fortwengel, 2021, p. 1071). Thus, the organisational setting of MNCs is characterised by the co-existence of different political and cultural backgrounds (Fortwengel, 2021) that contributes to divergences between the individuals' salience of sustainability standards (Linnenluecke & Griffiths, 2010; López et al., 2007; Soderstrom & Weber, 2019). Furthermore, as noted by Divrik (2024), internationalisation produces a dual effect on the adoption of sustainability standards. Since MNCs are more exposed to global norms and societal and institutional pressures, they exhibit strong motivation to operationalise standards and ensure legitimacy in foreign markets (see also Jamali, 2010; Behnam & MacLean, 2011).

At the same time, organisational sustainability concerns are higher within MNCs since subsidiaries are often susceptible to being decoupled from the headquarters' policies (Burritt et al., 2020; Divrik, 2024). Because of these nuances, we argue that the MNCs' organisational setting can offer richer insights that could go beyond an organisational-level understanding of symbolic and substantive forms of adoption and, notably, the persistence of the former, despite increasingly normative and ethical-led institutional pressures. The following subsection delves deeper into a discussion of how perceptions and the salience of sustainability standards at the individual and group levels can contribute to a more nuanced understanding of the substantive and symbolic dichotomy.

Individuals' and Groups' Understandings of Sustainability

Concerns in the literature about the genuineness of sustainability standards' adoption in response to normative pressures have gradually led to questions about the organisations' willingness and ability to adhere to societal/ethical expectations (Durand et al., 2019; Weaver et al., 1999).[1] Although this literature emphasises the concepts of willingness (connected to 'issue salience') and ability (connected to resources), these ideas have not been fully framed at the individual or group level but rather and principally at the organisational one. In this light, 'issue salience' refers to perceptual outcomes that are subjectively defined by decision-makers, and the authors emphasise the need to account for the heterogeneous issues facing these 'situated decision-makers' (Durand et al., 2019, p. 303). Relatedly, issue salience considers how receptive the decision-makers are to an issue when considering the organisation's identity and the "instrumental cognitive structures of strategic frames" (p. 302). In effect, how actors conceive of a (sustainability) issue at a given point in time and act (or not) upon it are greatly influenced by individual considerations rather than being (solely) subject to the whims and caprices of external pressures.

Furthermore, this literature leverages the notion of 'ability' that is largely connected to 'resource mobilisation' (Durand et al., 2019, p. 301), i.e., cost–benefit analysis, and thus the calculative implications of taking a course of action. To be clear, this calculative process is socially constructed and can encompass diverse economic and social costs and benefits (pp. 304–305), rather than being a purely 'rational' financial process. Although it tends to be mobilised at the organisational level and in relation to external constituencies (Mitchell et al., 1997), and hence, pays less attention to intra-organisational dynamics, it remains that internal competition for scarce internal resources could dictate whether and how to respond (substantively or symbolically) to a given normative pressure. Although the salience of an issue may have been agreed upon, Durand et al. (2019) distinctively contend that managers' misunderstanding of the resulting cost/benefit could still lead to so-called over- or under-responses. Hence, a symbolic response to a normative pressure may be typically seen as a (deliberate) form of policy-practice decoupling, while it could possibly be the result of a managerial miscalculation of the cost–benefit analysis of the response (or lack thereof, i.e., inaction). A consideration of both 'willingness' and 'ability' to respond to normative pressures opens the door to a possible explanation of persistent symbolic adoption, i.e., even when the issue salience is high for the organisation, the perceived costs outweigh the perceived benefits (Durand et al., 2019).

However, what seems to be missing in this frame is the individuals' understanding of the parameters and implications of the response to a normative pressure, i.e., in our research, the sustainability agenda. Arguably, organisational responses can be 'filtered' by individuals' affiliations to social groups with differing values, norms, and cultures (Linnenluecke & Griffiths, 2010). For instance, Kok et al. (2019) highlight the role of the individuals' affiliation "with a professional or organisational group" ('subcultures'), wherein members develop a shared bond to the group's values, behaviours, and practices, leading to similar interpretations (p. 1499). Likewise, Howard-Grenville (2006) asserts that varying interpretations of the same issue often emerge when individuals become members of distinct groups within the organisation. This dynamic is particularly relevant for sustainability issues, which are inherently conflict-laden due to tensions and contradictions between environmental and social objectives and corporate financial targets (Hahn et al., 2015, 2018). Therefore, individuals, and hence groups, tend to perceive the sustainability agenda and its salience in heterogeneous ways. When diverse coexisting groups within an organisation hold multiple interpretations and assign different levels of importance to sustainability, tensions can arise during the adoption and implementation of sustainability practices and standards (Hahn et al., 2015; Kok et al., 2019). These tensions are further intensified in contexts where sustainability is prioritised in political agendas, contrasting with settings where economic growth and profit maximisation continue to be central in decision-making processes (Nesterova, 2020).

[1] Although Durand et al. (2019) further distinguish between symbolic/substantive *conformity* (meeting or exceeding social norms) and *compliance* (meeting legal/formal obligations), the emphasis of our work is on the substantive/symbolic adoption of sustainability standards from a *conformity* perspective, i.e. a substantive adoption would imply meeting (or exceeding) social norms. Clearly, some of these social norms (vis-a-vis sustainability) may be formally recognised in law and to be complied with, while others may be purely 'voluntary' (not set out in law) in nature. Durand et al., (2019, p. 303, footnote 1) do recognise the overlapping nature of these two concepts.

Furthermore, research indicates that the absence of a shared organisational definition of sustainability can lead individuals and groups to independently develop conflicting interpretations (Howard-Grenville, 2006; López et al., 2007; Soderstrom & Weber, 2019) that arguably reduce the salience of the issue. In this context, some scholars advocate moving beyond a static view of sustainability adoption. Haack et al. (2012), for example, argue that through a shared narrative, sustainability standards can be infused with dynamism. This perspective suggests that organisational responses should involve addressing conflicting interpretations, ultimately fostering the construction of new shared meanings (Argento et al., 2022). However, resistance to change often prevails over the dynamic adoption of sustainability practices. Argento et al. (2022) suggest that persistent divergences in individuals' views on and expectations from the corporate sustainability agenda can create cognitive boundaries, fragmenting organisational sensemaking. We argue that these diverging views might erode the willingness and ability to substantively adopt sustainability standards, resulting from the individual and group dynamics within organisations.

In conclusion, a significant gap exists in research that adopts a multi-level analysis to examine sustainability standard adoption, particularly in addressing competing intra-organisational dynamics within the MNC. To address this gap, our study employs social identity theory to provide a nuanced conceptualisation of these complex interactions and seeks to offer incremental insights into the ongoing debate on the substantive versus symbolic adoption of sustainability standards.

Theoretical Framework: Social Identity Theory at the Roots of Willingness and Ability

By drawing on social identity theory (Hogg, 2016a), we aim to explain how the MNC's willingness and ability to adopt standards and related practices substantively or symbolically is shaped by both individual- and group-level dynamics in the *sustainability field*. Here, the concept of 'field' refers to "relatively autonomous social spaces [that] constitute around a particular activity, which have been constructed historically through struggles and power relations" (Mangez and Liénard, 2015, p. 184). As such, the sustainability field denotes the social space within the organisation in which individuals and groups enact sustainability.

Within the sustainability field, social identity theory (Hogg, 2016a) offers a lens to examine the role of individuals and the groups with which they are affiliated. This theoretical framing explains how individuals derive their identity from group membership, which is rooted in shared norms and values. Individuals through a self-categorisation process view themselves "in terms of defining attributes of the in-group (self-stereotyping)" (Hogg, 2016b, p. 9), willing to be perceived as a part of a group that shares common values independently of the proximity of the members of the group that could be extremely large e.g. a country (Hogg, 2016a), or as an industry or a business organisation (Byun & Kim, 2017) or small as the woman in the board of directors of a family business (Zona et al., 2024). In turn, group membership significantly influences individual behaviour (Hogg, 2016a, 2016b). Belonging to a group motivates individuals to align their behaviours with group norms in the desire to be recognised as part of the 'in-group', thereby encouraging behaviours that meet group expectations (Stets & Burke, 2000). Notably, individuals may belong to multiple groups, each with distinct and sometimes competing identities (Brown, 2000; Stets & Burke, 2000). The prominence of a particular group identity in a given context determines which values and behaviours individuals prioritise (Carter, 2013), as they perceive that membership in certain groups can enhance their self-esteem (Abrams & Hogg, 1988). Furthermore, the salience of a group identity may depend on the influence of the group's prototypical leaders (Hogg, 2001; Hogg et al., 2012), given that "effective leaders provide substantial material and psychological resources and rewards to their followers" (2012, p. 261) and can "transcend and bridge sometimes profound intergroup divisions" (2012, p. 294).

Additionally, social psychology suggests that when a social-group prototype is internalised by group members, it "governs what one feels, thinks and does" (Hogg et al., 2012, p. 262). The idea that individuals internalise certain dispositions is also supported by sociological perspectives, such as Bourdieu's concept of habitus, which recognises the existence of a 'durable' individual disposition (Bourdieu, 1990).

Building on social identity theory (Hogg, 2016a), we acknowledge that when a group's norms and values become internalised (Hogg et al., 2012), they form part of an individual's durable dispositions, shaping and guiding behaviour accordingly. More precisely, we argue that although social identity can influence individual behaviour, only those group norms and values perceived as most salient within a given field (Brown, 2000; Byun & Kim, 2017; Carter, 2013; Stets & Burke, 2000; Zona et al., 2024) are internalised as lasting dispositions, thereby shaping behaviours. This process also helps explain both support for, and resistance to, organisational change, including mechanisms of entrenchment and narration, which are central to the substantive adoption of sustainability standards (Haack et al., 2012). Individuals affiliated with groups in which sustainability is not central are more likely to resist substantive adoption, whereas those embedded in sustainability-oriented groups are more inclined to support it (Howard-Grenville, 2006; Kok et al., 2019).

To understand these dynamics, it would be pertinent to pinpoint the role of leaders (Hogg, 2001; Hogg et al., 2012) within the sustainability field, namely, a group of 'promoters' who champion sustainability-related values and introduce new ways of thinking about sustainability in the organisation. In this regard, Byun and Kim's (2017) discussion about the role of social identity in organisations notes that a "fostering a community of voluntary adopters would be a more effective policy for the proliferation of corporate social initiatives" (Byun and Kim, p. 553). This is because the community, especially when composed of leaders who constitute a reference point of comparison (Zona et al., 2024), can enhance the process of self-categorisation. Nevertheless, an MNC is a complex business organisation. Although the members of the group of sustainability promoters may share a common orientation, those in other groups may not, potentially due to the existence of external pressures (Byun & Kim, 2017); leading to varying degrees of issue salience and willingness to act on sustainability (Durand et al., 2019). Importantly, the influence of the promoters' group is amplified when their position aligns with organisational power structures. If the promoters include or represent the controlling owners, their influence is likely to be stronger (Byun & Kim, 2017; Hogg, 2001), as individuals within the organisation may be more motivated to self-categorize themselves as the 'in-group', aligning their norms and values with those of the promoters. Such alignment reinforces the salience of sustainability and increases the likelihood of substantive adoption. Further applying Durand et al.'s (2019) insights to our theoretical framework, we argue that individuals who perceive being part of the promoters' 'in-group' are more likely to internalise sustainability norms and values (Hogg et al., 2012), thereby suggesting a higher willingness and ability to embrace them. As such, such internalisation creates favourable conditions for the substantive adoption of sustainability standards.

Overall, we propose that organisational responses, whether symbolic or substantive, are influenced by individuals' and groups' willingness and ability to act, which arise from the internalisation of sustainability norms and values and from the resulting perception of the net benefits associated with sustainability actions. These, in turn, are influenced by the degree of alignment with the norms and values of the sustainability leaders-promoters, as well as by cost–benefit assessments related to sustainability initiatives. When this alignment is strong, both willingness and ability are enhanced. Conversely, misalignments in identity, issue salience, or perceived net benefits can lead to a range of alternative responses, including symbolic adoption, conformity, compliance, or inaction (for further explanation, see Durand et al., 2019). These varied responses underscore the importance of examining the linkages between individual dispositions, group affiliations, the role of leadership, and willingness and ability that our theoretical framework is well positioned to scrutinise.

Research Design

To ensure methodological rigour, this study followed Yin's (2018) single case study design framework. The single case of Alpha was chosen as it met three of Yin's (2018) five criteria, namely, *revelatory* through the researcher's access to the company and document internal dynamics, *critical* in testing theoretical assumptions on group and individual dispositions in sustainability adoption, and *longitudinal* in capturing dynamics of our research interests over time. The data collected from multiple sources was analysed using thematic coding to link findings to the theoretical propositions. Rigour was ensured through triangulation and adherence to criteria of construct, internal, and external validity, as well as reliability (refer to Fig. 1).

The fieldwork spanned from May 2021 to May 2022; yet the material evidence enabled the analysis of the case organisation since 2019, when Alpha adopted its first standards. Hence, the study captured a three-year span, which supported its longitudinal research design. The study's boundaries include 24 out of 28 subsidiaries (16 Italian and 8 foreign), represented by interviewees and/or survey respondents.

Case Study Description

Alpha is a multinational company that develops technologically sophisticated artificial intelligence-based software and information systems to manage administrative processes. Established as a family-owned business in Italy, Alpha reached the scale of a multinational company operating in Europe, the USA, the Middle East, and North Africa, reflecting its vibrant multicultural environment. The governance structure consists of market shareholders, the state, and a family entity (approximately 45% of the shares), collectively shaping the direction of the business. In 2021, the workforce was composed of around 7,000 employees.

Internal organisational initiatives towards embedding sustainability became prominent upon becoming a publicly listed firm in Italy. The Italian Stock Exchange requires Non-Financial Disclosure (NFD) alongside financial reporting, and prior to the listing, there was no official communication on sustainability. Pursuant to the national institutional environment, Italian-listed companies were mandated to publish NFDs only from 2016 with the introduction of the Legislative Decree no. 254. As such, when Alpha became publicly listed, the organisation initiated the adoption and

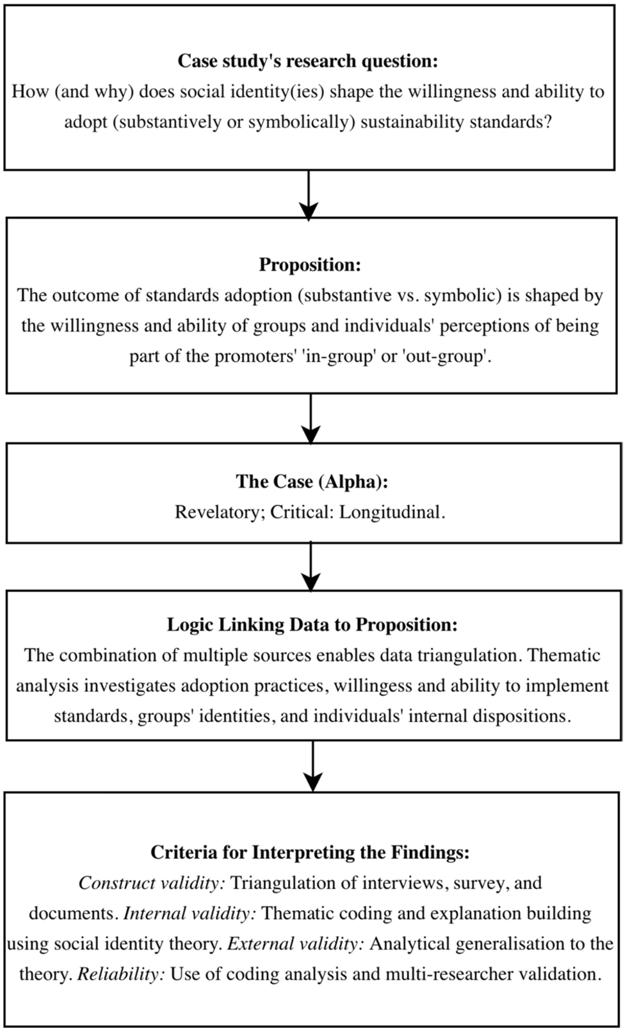

Fig. 1 Case study design framework

communication of a range of sustainability standards. Yet, since Italian regulations have not set forth specific standards/frameworks, Alpha's own existing reporting practices could not support the disclosure of non-financial information. This propelled the organisation to adopt international reporting standards, specifically GRI, in 2019, which enabled selecting relevant material topics to disclose. Over the following years, other sustainability standards were introduced, such as ISOs (e.g., ISO 45001, ISO 14000), local audit certifications (Family Audit), diversity and inclusion, and SA 8000 throughout the headquarters and subsidiaries (locally and internationally).

However, during this period, it became evident that the organisation was struggling to adopt them in a more meaningful way (at least from the perspective of its leadership), which prompted a partnership between the researchers (in particular, the first author) and Alpha. Specifically, the headquarters' aspiration to substantively adopt sustainability standards across the MNC appeared to be hindered by factors that the leadership could not exactly pinpoint. Consequently, there was a strong interest in uncovering these factors to support the substantive adoption of sustainability standards. It was at this stage that the researchers became involved, leading to the data collection and fieldwork described below.

Data Collection

Data were collected in two stages: first, corporate documents (e.g., newsletters and internally circulated reports) and interviews; second, an online survey. Several follow-up interviews were also conducted after the survey completion, which supported the data triangulation and longitudinal design. The adoption of these research methods was justified by the need to investigate holistically and pragmatically the whole MNC setting (including foreign and domestic subsidiaries), while seeking to uncover nuanced dynamics influencing willingness and ability to adopt standards substantively, and help triangulate insights from the different sources of data.

The protocol for the semi-structured interviews was developed following the recommendations by Roulston (2010). The questions addressed Alpha's motivations for engaging in sustainability-related initiatives, the use of sustainability standards, and the cultural and social aspects of the MNC (refer to Table 1). The interplay between different questions regarding the understanding and perception of sustainability (such as question 4 and question 5 in Table 1) and organisational dynamic values and collaboration (see Table 1) provide the researchers with sufficient material to understand the position (in/out) of the respondent in respect to the sustainability identity of the group of promoters. Nevertheless, the coding process helped the researchers to identify sentences related to the respondent in–out group position also when the point addressed was connected to other questions. In total, 20 semi-structured interviews were conducted with 22 individuals (refer to Table 2). Most informants were individuals from middle and top management levels, along with several employees based at the headquarters and in three subsidiaries. Meetings were arranged either at the headquarters or via video calls between May and November 2021. All interviews were recorded (with the participant's consent) and transcribed. In total, 20 semi-structured interviews lasting between 45 and 90 min were conducted with 22 individuals.

For the employee survey, we sought insights from staff working in 24 Italian and foreign subsidiaries. Given the geographical dispersion of Alpha's subsidiaries and the large number of employees, an online survey was the most appropriate method to complement the fieldwork and to capture views from a broad cross-section of employees. Questions, formulated as both quantitative (closed-ended) and

Table 1 Interview questions

1. General Context and Role:
1. Could you please describe your position and main responsibilities within the company?
2. How long have you been working at [Alpha], and in which department/subsidiary?
3. How would you describe your involvement in sustainability-related activities?
2. Understanding and Perceptions of Sustainability:
4. What does sustainability mean to you personally?
5. How do you think [Alpha] defines sustainability?
6. How would you evaluate the level of sustainability knowledge across your colleagues?
3. Implementation and Practices:
7. Could you please describe when and how [Alpha] initiated sustainability practices?
8. How were these practices and initiatives communicated within the whole MNC?
9. How has Alpha's approach to sustainability evolved over time?
10. What sustainability standards has Alpha implemented in recent years?
11. Who was responsible for leading sustainability implementation? Was this person appointed by the executives, or was it a voluntary decision?
12. What challenges or barriers have you observed in implementing sustainability initiatives and standards?
13. Have you read the Alpha's sustainability report? What do you think about its content?
14. Are there any sustainability training or any other events that have been organised to train managers and employees?
4. Organisational Dynamics, Values, and Collaboration:
15. How does collaboration on sustainability topics occur between headquarters and subsidiaries?
16. Have you noticed any differences in the approach to sustainability between different sites/subsidiaries?
17. Are sustainability discussions part of regular meetings?
18. Who participates in sustainability-related decision-making processes?
19. Do you see sustainability as integrated into the Alpha's core principles and strategic plans?
5. Reflections on Change and Impact:
20. Have you noticed any change in Alpha's approach or policies towards sustainability over the past few years?
21. What factors (e.g., leadership, regulations, local cultures, etc.) have driven or hindered these changes?
22. How has Alpha's sustainability approach evolved since the introduction of mandatory reporting requirements?
6. Ethical and Strategic Considerations:
23. How does Alpha's leadership communicate ethical commitments to sustainability?
24. Do you see any tensions arising from sustainability implementation?

This table presents the list of semi-structured interview questions used in the study. Questions 1–24 were designed to allow flexibility for probing and follow-up questions depending on participants' expertise and roles

qualitative (open-ended) items, were designed to reflect key theoretical constructs, such as individual familiarity with sustainability (i.e., individual disposition), perceptions of peer and managerial engagement (i.e., group identity), and the implementation of sustainability (i.e., internalisation and substantive vs. symbolic adoption) (refer to Table 3). They were developed based on insights drawn from prior studies (e.g., Argento et al., 2022; Chelli & Gendron, 2013; Clementino & Perkins, 2021; Linnenluecke & Griffiths, 2010), documentary evidence, and interview findings. The clarity and comprehensiveness of the survey were tested with several academics and managers from the case study. These questions were translated and provided in both English and Italian.

The survey was administered online in December 2021, with the invitation sent by the researchers to 15% of Alpha's randomly selected total staff (1,067 employees: 866 Italian and 201 foreign). This yielded 324 responses (a response rate of 30%). However, 103 responses were discarded as incomplete, leaving 221 questionnaires for analysis (refer to Table 4).

The data also included documentary evidence, such as two sustainability reports and 28 internal newspapers from Alpha's intranet. These documents enabled us to observe changes in standards adoption over time, identify subsidiaries supporting or opposing the standards, and determine the individuals involved in the process. They also provided insights into how the organisation was framing and communicating sustainability topics, as well as the formal policies and strategies endorsing standards within the MNC.

Data Analysis

This study primarily employs a qualitative research approach, and that while quantitative data has been collected during the survey, only a basic descriptive analysis was conducted to support the qualitative data. The qualitative data was coded at three levels, following the logical path illustrated in Fig. 2 and using the NVIVO software (Corbin & Strauss, 2008). Sentences were used as the unit of analysis, consistent with prior research that has demonstrated their reliability in enhancing the credibility of qualitative coding (Unerman, 2000). The analysis was conducted at two analytical levels, individual and group, to identify individual dispositions and groups' identities, as well as their perceptions of issue salience and cost–benefit considerations (Durand

Table 2 Profile of interviewees and their connection to the promoters' group

Positions	Duration (min)	Organisational level	Connection to sustainability promoters' group
Financial Operations Specialist	65	Staff	Involved in the sustainability reporting preparation and data provision
Project Coordination Officer	70	Staff	Involved in the sustainability reporting preparation
Consolidation Accountant	15	Staff	No connection
Employee Training Specialist	80	Staff	Involved in the sustainability reporting preparation and data provision
Sustainability Coordinator	105	Staff	Responsible for sustainability reporting
Investor Relations Director	45	Management	Linked sustainability to external communication
Production Department 1 Director	65	Management	Involved in the sustainability reporting preparation and data provision
Production Department 2 Director	90	Management	No connection
Production Department 3 Director	55	Management	No connection
Innovation and Product Development Specialist	45	Staff	Occasional involvement in sustainability reporting
Commercial Operations Director	70	Staff	Limited connection related to external communication
Procurement Officer 1 and Procurement Officer 2	60	Staff	No connection
Compliance Department Director	40	Management	Ensured sustainability standards adoption
Sustainable Development Committee Representative	35	Board of Directors	Involved in the governance process of sustainability-related activities
President (Founding Family Member)	55	Executive	Involved in the governance process of sustainability-related activities. Strategic promoter of sustainability initiatives
International Operations Director	22	Management	No connection
Director and Compliance Officer (Subsidiary 1)	60	Management Staff	Promoted sustainability practices and standards implementation at the subsidiary level
Employee Engagement Specialist (Subsidiary 2)	60	Staff	Limited connection related to the employees' awareness.company
Employee Engagement Specialist (Subsidiary 3)	65	Staff	Limited connection related to sustainability standards implementation
Vice President	60	Executive	Involved in the governance process of sustainability-related activities. Strategic promoter of sustainability initiatives

et al., 2019). Initial codes described individuals' perceptions, knowledge, and salience of sustainability; identification of individuals who have been endorsing sustainability, their initiatives, conformity with sustainability norms, willingness and ability to respond; evidence for organisational changes towards substantive adoption; and values alignment with the promoters' group. These codes were further logically merged into sub-themes so that collectively they would describe the adoption of sustainability practices (substantive versus symbolic) when Alpha decided to act upon newly introduced standards. The sub-codes were further merged into three aggregate dimensions, namely, individuals, promoters' group, and other groups within the organisation.

Crucially, the individual level represents organisational members across different hierarchical levels and functional areas whose interpretations of, and dispositions toward, sustainability emerge through their survey responses and interview narratives. Based on these individual-level orientations, we analytically constructed groups not as formally constituted entities with defined membership or borne out of regular interaction/proximity, but as emergent social collectives grounded in shared meanings and values. Converging patterns in the empirical material, such as common interpretive frames, recurring references to the same actors, and self- or peer-identification with sustainability initiatives, enabled us to identify clusters/groups of individuals with similar orientations. Figure 2 presents how we categorised each interviewee's connection to the promoters' group. For example, individuals who were members of the promoters' group (i.e., 'in-group') were distinguished by their strong identification with substantive sustainability adoption, regardless of their formal roles, while those who did not express similar alignment were treated collectively as a residual category (i.e., 'out-group'). This approach allowed us to trace how individuals and emergent groups shaped, and were shaped by, sustainability practices within the organisation.

Table 3 Survey questions

Q1. Please select your age group: a) less than 30; b) 30–40; c) 41–50; d) more than 51
Q2. Please select the location of your workplace: a) Italy; d) France; g) Other b) Austria; e) Malta; c) Germany; f) Tunisia;
Q3. What is your educational background? a) Information Technologies-related fields; b) other backgrounds
Q4. What is your knowledge of the following concepts? *Please give a self-evaluation on the scale where: 1 = not familiar; 2 = heard about it; 3 = basic knowledge; 4 = good knowledge; 5 = very familiar* a) Corporate Social Responsibility (CSR); b) Non-Financial Disclosure or Sustainability report; c) Environmental, Social, and Governance (ESG); d) United Nations Sustainable Development Goals (SDGs); e) Stakeholders
Q5. To what extent are you familiar with Alpha's Sustainability Report? 1 = never heard; 2 = heard but never read; 3 = somewhat familiar; 4 = very familiar
*Q6. If you read the Alpha's Non-Financial Report, to what extent is it informative to you?** a) no useful information; b) limited information; c) sufficient; d) very informative
Q7. What are some restraints for your Company to perform corporate sustainability initiatives? *Please select all that apply:* a) there are no requirements to conduct sustainability initiatives from the government and/or community; b) managers lack awareness and a comprehensive understanding of corporate sustainability; c) there is no interest from my co-workers; d) there are no worldwide/uniform policies and regulations from the headquarters
Q8. In your opinion, what are the best ways to perform corporate sustainability initiatives? *Please select all that apply:** a) motivating and engaging employees in the corporate sustainability initiatives; b) supporting local communities by conducting charity or societal projects; c) contribute to the protection of the environment (e.g., climate change); d) improved transparency and disclosure of the social impact; e) measuring the social impact of the Company
Q9. What is your opinion on the management strategy within Alpha? *Please select only 1 option:* a) there is a global strategy that covers all companies located abroad and in italy; b) there is a regional strategy that covers companies located in the same region; c) the development of management strategies is left to each company
*Q10. How would you measure the Company's sustainability initiatives? Please select all that apply:** a) metrics related to the consumption of natural resources (e.g., energy, water, paper, plastic); b) number of people or/and communities impacted (e.g., charity projects); c) number (ratio) of employee retention; d) number of client acquisitions and retention; e) amount of money donated; f) generated profit; g) other metrics (please share): _____
Q11. In your opinion, what Alpha should do in relation to corporate sustainability?

Findings

This section is organised into three subsections. We begin by examining the willingness and ability of the promoters' group to substantively adopt sustainability standards. We then broaden the focus to employees more generally, exploring how the salience of sustainability is perceived through the perspectives of other individuals. The final subsection

Table 4 Profile of survey respondents

	Response categories	*n*	%
Office	Headquarters	27	12
	Subsidiary	194	88
Country	Italy	180	81
	Abroad	41	19
Work period in Alpha	< 1 year	41	19
	1–3 years	59	27
	4–6 years	68	31
	7–10 years	24	11
	> 10 years	29	13
Age group	< 30	22	10
	30–40	77	35
	41–50	82	37
	> 51	40	18
Total		221	100

discusses the possible reasons underlying the contrasting patterns identified in the previous sections, highlighting the tensions that have fragmented the salience of both sustainability concepts and standards.

A Path Towards Substantive Adoption: The Group of Sustainability Promoters

Although multiple groups with distinct ideas and beliefs can coexist within the same organisation (Brown, 2000; Stets & Burke, 2000), our empirical data pays particular attention to a community of individuals (Byun & Kim, 2017) who took the leadership in actively advancing and legitimising sustainability initiatives within Alpha, referred to here as the 'sustainability promoters' group'.

The promoters' group operated primarily within the headquarters, although several members were also identified amongst the subsidiaries' staff. While the group's influence and ability to diffuse sustainability initiatives largely stemmed from the members' high-ranking positions within Alpha, we also observed the participation of regular employees (refer to Table 2). As such, the group encompassed managers across multiple hierarchical levels, including middle and top management and members of the founding family (e.g., the President), as well as employees from various departments across the MNC (Astrachan et al., 2020; Delmas & Gergaud, 2014).

Through the analysis, we first sought to understand how this group emerged and influenced the creation of Alpha's sustainability field. One interview with the Sustainability Coordinator offered particularly valuable insight into this process:

> *We didn't have the disclosure before 20XX. […] Before, it was only a vision for us, a desire to be socially responsible and fair. It was important, yet sustainability was not a strategic item before becoming a listed company […] This law gave us an opportunity to direct our strategy and business in a sustainable direction. (Sustainability Coordinator)*

According to the interviewee, the obligation to produce a non-financial report, introduced upon the Alpha's stock exchange listing, marked a critical turning point for the organisation. While sustainability had previously been perceived as "a vision" and "an opportunity", the regulatory requirement enabled its formalisation and integration into the organisation's strategic agenda (Baboukardos et al., 2023). Moreover, ethical values, such as social responsibility and fairness, were already embedded in Alpha's culture; however, sustainability had not been institutionalised as a strategic priority until the introduction of mandatory disclosure requirements. The obligation to prepare a non-financial report repositioned sustainability from

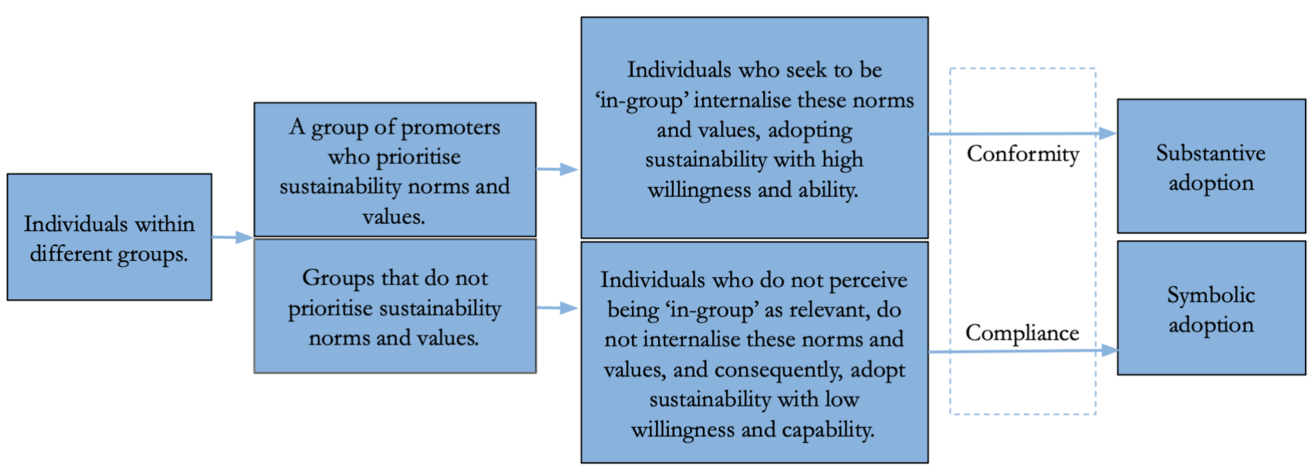

Fig. 2 Conceptual framework

a normative aspiration into an operational requirement, heightening its salience and legitimising its integration within formal organisational structures. It is likely this process catalysed the emergence of a group of individuals who began to actively endorse and promote sustainability norms and values across the company, laying the foundation for what would later become the sustainability promoters' group.

The Financial Operations Specialist provided additional insights into the process, which guided Alpha towards embracing sustainability:

> *"At the end of 20XX, the company started the process to become a listed company. From that moment, Alpha had to prepare the non-financial report. Of course, in the first period, it was an obligation [rather than] an opportunity." (Financial Operations Specialist)*

This extract, particularly the interviewee's remark that sustainability "in the first period" was perceived as "an obligation", suggested a shift in mentality, presumably driven by a cost–benefit analysis (López et al., 2007) undertaken as the organisation grappled with the mandatory introduction of sustainability practices and standards (Chua & Rahman, 2011). This process involved weighing the perceived benefits of compliance against its costs. Regulations not only required Alpha to publish non-financial reports but also to adopt a range of sustainability standards, which further reinforced the underlying cost–benefit logic guiding its response. The Compliance Department Director outlined such standards:

> *"There are ISO certifications, like 9001, [that] are mandatory, i.e., based on laws, which means that complying with the law practically guarantees having a certification. This applies to the workplace safety management 45001, the anti-bribery certifi*cation 37001, and the environmental certification 14000, which is mandatory for waste management." (Compliance Department Director)

Complying with these additional requirements entailed significant financial and organisational costs, yet they were regarded as necessary investments to secure legitimacy and align with emerging institutional expectations. Alpha's adoption of ISO standards, together with the consolidated NFDs, arguably fostered the development of a sustainability-oriented mindset within the group of promoters, in which the perceived benefits of engagement gradually began to outweigh the associated costs (Durand et al., 2019; Hahn et al., 2015).

The following extract thus indicated an organisational willingness and capacity to engage in a substantive response, rather than merely maintain a (symbolic) status quo:

> *"...The non-financial area needs time and [a common opinion] is you just have to collect data and write some sentences […] I see some changes over the last months; [for example], now we have a sustainability committee." (Sustainability Coordinator)*

The interviewee acknowledged that for changes to become internalised (Hogg et al., 2012), the process must be inherently slow-paced (Haack et al., 2012). At the same time, s/he described several structural commitments that had been pursued over time. For instance, Alpha established a sustainability committee within the board of directors, thereby materialising its commitment to fostering dedicated leadership (Hogg, 2001) in the promoters' group and ensuring accountability for sustainability initiatives. The documentary analysis further supported this claim by providing evidence for other changes within the organisation. This included sustainability training for managers, delivered by professors from European and North American universities, online courses on sustainability standards for employees, and orientation materials for new employees to introduce the core principles of ISO 37001, SA 8000, and diversity and inclusion. These initiatives showed that the promoters' group mobilised financial resources to elevate sustainability as a salient issue within the organisation, consistent with the resource mobilisation and Durand et al.'s (2019) notion of ability. Furthermore, the integration of SA 8000, as evidenced in Alpha's NFD, suggests that the promoters were striving to move beyond symbolic adoption. From a cost–benefit perspective, given the substantial time, human resources, and audit costs involved, pursuing SA 8000 is more plausibly driven by its perceived competitive and moral value rather than by purely symbolic motives (Behnam & MacLean, 2011).

Another example demonstrating the promoters' willingness and ability to pursue substantive adoption was their commitment to mastering and operationalising the materiality matrix and GRI standards, which required significant time, expertise, and resources to implement effectively (Vigneau et al., 2015). The process involved surveying both internal stakeholders (managers and employees) and external stakeholders (trade unions, customers, suppliers, financial agencies, and partners). The resulting materiality matrix served as a key instrument for defining the scope and content of the sustainability report, as well as identifying material issues. During the interview, the Sustainability Coordinator noted that Alpha engaged an external consultant to support this process, which meant incurring additional costs (Durand et al., 2019). As highlighted in prior research, organisations often face significant challenges in meeting regulatory requirements for sustainability disclosure, particularly when such initiatives are novel and resource-intensive (Doni et al., 2020). To address these challenges, Alpha's promoters' group decided to invest in external expertise, a decision consistent with the cost–benefit logic of substantive adoption (Durand et al., 2019):

"The communicated information [in Alpha's report] is the result of our materiality matrix. At the beginning of 2019, we had some meetings with top managers. For us, it was something new, so we had a partner who guided us. We discussed important aspects of the company, and we constructed a materiality matrix. From it, we decided to disclose and report these important aspects of the company." (Sustainability Coordinator)

The interviewee also emphasised that the GRI's practical application compensated for the lack of instructions by legal directives, particularly the Legislative Decree no. 254/2016 (Chua & Rahman, 2011):

"[What to disclose] is our decision. The law cannot say: "You have to report these or those aspects". There are some micro-trends that you can select from, aspects that characterise your activities. [...] The GRIs are the concrete translation of the principles set forth in Legislative Decree 254/2016. [...] In my opinion, the practical component (GRI) has greater power. Concrete experience is more powerful and effective than concepts." (Sustainability Coordinator)

Although normative pressures mandated compliance through sustainability disclosure, the promoters' group viewed the GRI framework as indispensable for aligning Alpha with broader sustainability norms and values (i.e., conformity) (Vigneau et al., 2015). Furthermore, GRI's adoption contributed to elucidating which concept of sustainability Alpha could refer to, shaping the identity of the promoters' group. Arguably, this important reference could have helped this group to spread their norms and values, by developing a prototypical sustainability leadership (Hogg, 2001) that could enhance the process of self-categorisation (Hogg, 2016a, 2016b), facilitate an identification process of others willing to be perceived as in the 'in-group' (Hogg et al., 2012; Stets & Burke, 2000).

Building on this foundation, the promoters' group extended its efforts beyond disclosure towards the voluntary adoption of standards that operationalised sustainability principles within everyday organisational practices. Voluntary certifications, such as ISO 37001 (anti-bribery) and the Family Audit (work–life balance), showed Alpha's willingness to invest in ethical governance and employee well-being beyond mandatory requirements:

"[Alpha] has decided to officialise its commitment against corruption by internally developing a Management System for the Prevention of Corruption. For this reason, at the beginning of 2018, our [company] was among the very first businesses in Italy to obtain the certification, according to the ISO 37001:2016 international standard." (from the company's 2021 newsletter)

"…here in our [province], we have the Family Audit, a sort of certification on work-life balance. Every two years we have an examination from the province; they want to see what we have done for our employees. And we have to demonstrate [our performance] with numerical data. [...]" (Employee Training Specialist)

These examples underlined the promoters' belief that substantive adoption yielded greater long-term benefits than symbolic compliance, including enhanced reputation, improved employee satisfaction, and alignment with ethical principles (Carollo & Guerci, 2018; López et al., 2007).

Yet, despite this seemingly substantive commitment to sustainability adoption, some members of the promoters' group expressed their preoccupation:

"When we started studying sustainability, we understood that it's a very important and sensitive topic for us. But now, the approach to the ESG [matters] is related to mandatory non-financial reporting. We have to change this approach and incorporate ESG in the strategy." (Investors Relations Director)

Although the interviewee acknowledged the salience of sustainability for Alpha, this salience was in fact most evident amongst the sustainability promoters, i.e., those who had "started studying" the subject matter. Importantly, s/he emphasised that the organisation's initiatives were largely perceived as a response to mandatory regulations rather than as elements fully integrated into the corporate strategy.

Although Alpha's initial commitment to sustainability was primarily compliance-driven, the promoters recognised the need for continued efforts towards substantive adoption and alignment with broader sustainability principles and pronouncements (Behnam & MacLean, 2011). A similar message was evident in the interview with another member of this group, who provided the example of the Code of Ethics:

"At the top we have the Ethical Code, which is the roof of our company; in this document we wrote our thoughts. [So] the business is not the top: of course, we will survive if our numbers are correct, that's the left side in the financial statements. But for us, good feelings, positive thinking, and respect for customers and other stakeholders are important." (President)

The President's remarks illustrated how sustainability was approached through a moral lens grounded in ethical principles, reflecting both the issue salience and the aspiration to embed these norms as core values shaping the organisation's strategy and, consequently, its identity (Behnam & MacLean, 2011; Hogg, 2016a).

Overall, our findings suggested that the promoters' group had gradually developed a distinctive identity rooted in ethics, norms, and values (Byun & Kim, 2017; Carollo & Guerci, 2018; Hogg, 2016a; Stets & Burke, 2000) and had recognised the need for continued efforts to clarify the strategic role of this identity within the organisation. The salience attached to sustainability practices within this group was evident not only in members' statements but also in their willingness to adopt voluntary standards (e.g., GRI, ISO, the Code of Ethics) and their ability to invest in various sustainability initiatives (e.g., consulting services to administer materiality analysis, employee training), even in the absence of formal mandates. In this respect, it is likely that the promoters' effort to adopt standards results from their ethical commitments and the pursuit of a credible external image (Behnam & MacLean, 2011). This reflected a deeper commitment to *conformity* rather than mere compliance with normative pressures (Durand et al., 2019), and hence, indications of a substantive adoption. The following paragraph, however, challenges this view by broadening the focus to other individuals within the organisation.

Challenging the Substantive Adoption: Insights from Outside of the Promoters' Group

To investigate the salience of sustainability as perceived by a larger number of individuals within Alpha, we analysed the survey results. These showed that individuals' self-evaluated knowledge of sustainability-related concepts varied considerably (see Fig. 3). Concepts, such as "Stakeholders" and "Corporate Social Responsibility", were more familiar, with 60% of respondents rating them as "good knowledge" or "very familiar". However, concepts of "Sustainable Development Goals", "Environmental, Social, Governance", and "Sustainability Report" showed substantial knowledge gaps, with 40–50% of respondents indicating minimal familiarity (i.e., "not familiar" or "heard about it"). Additionally, we observed noticeable differences between countries. The results suggested that respondents from the headquarters' country (Italy) were more knowledgeable relative to respondents in some subsidiaries (e.g., France). Other subsidiaries (e.g., Malta, Austria, etc.) had higher proportions of responses in the middle categories (e.g., "heard" and "basic knowledge") but not in the highest level of familiarity. These findings suggested that the Alpha's sustainability agenda was not effectively disseminated across subsidiaries.

To further assess the employees' understanding of sustainability, an open-ended survey question revealed fragmented interpretations of sustainability, ranging from environmental concerns to social issues (Hahn et al., 2015). While examples of the former included "optimised use of natural resources," "reducing emissions," and "reducing corporate impact on the environment/less consumption of resources", the latter included "local communities involvement". Some respondents mentioned topics related to the organisation's management, such as "employee

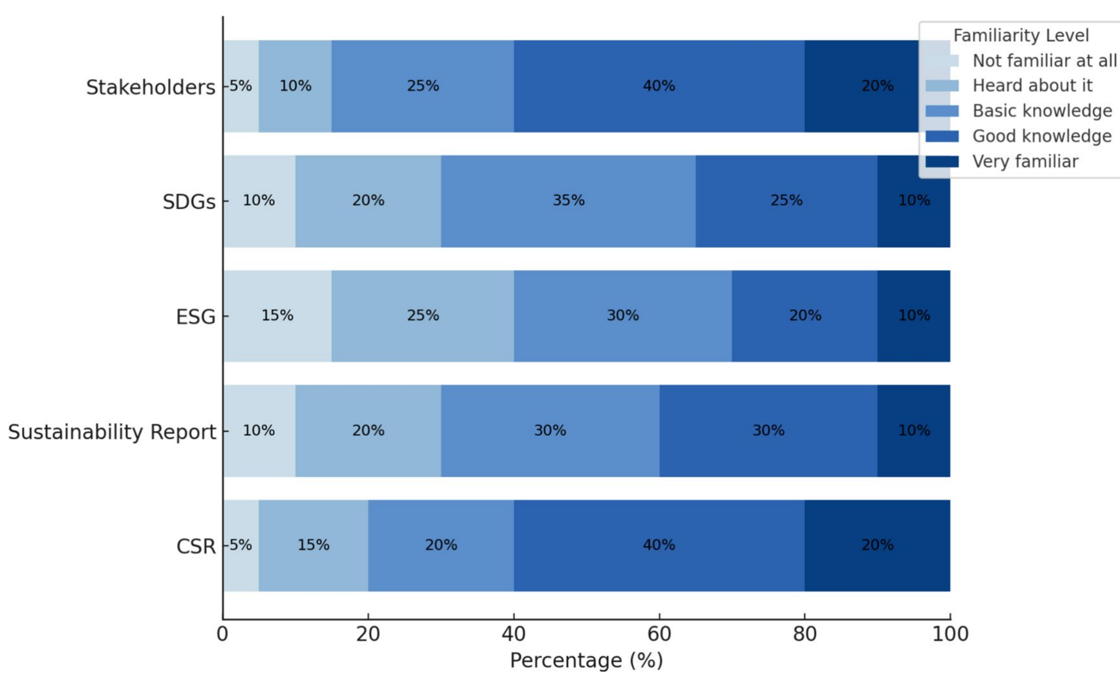

Fig. 3 Self-assessed familiarity levels with sustainability concepts (source: survey)

involvement", "sustainability strategy and transparent key performance indicators". While these responses revealed some familiarity, this eclectic set of individual perspectives could be interpreted as a lack of a shared, uniform understanding of sustainability within Alpha.

This limited awareness amongst employees extended beyond sustainability-related terminology, as the survey asked if employees know/read Alpha's sustainability reports. Over half of respondents (53%) were unaware that Alpha had been publishing a consolidated NFD, and only 3% were very familiar with its content (refer to Fig. 4, source: survey). This limited familiarity reflected not only a superficial understanding of sustainability practices but also weak organisational communication mechanisms for disseminating sustainability information. Such informational gaps constrained employees' ability to recognise sustainability as a salient organisational issue, hence limiting both individual willingness and the collective capacity to engage substantively (Durand et al., 2019). Consequently, they largely failed to perceive the importance of its specific norms and values (Hogg, 2016a; Stets & Burke, 2000).

Consistent with this, survey participants identified several (perceived) obstacles hindering Alpha's sustainability efforts: the absence of external regulations or societal pressures (40%), managers' limited awareness and understanding of sustainability (29%), lack of employee interest (27%), and the absence of uniform policies from the headquarters (19%) (refer to Table 5).

These results may suggest a view of sustainability adoption within Alpha that contrasted with the one emerging from the analysis of the promoters' group. Here, Alpha's approach to sustainability appeared largely symbolic (Durand et al., 2019), as the survey findings pointed to a limited perception of the salience of the topic (Hahn et al., 2015). Alternatively, the results may suggest that the promoters' willingness to substantively adopt sustainability was not fully recognised

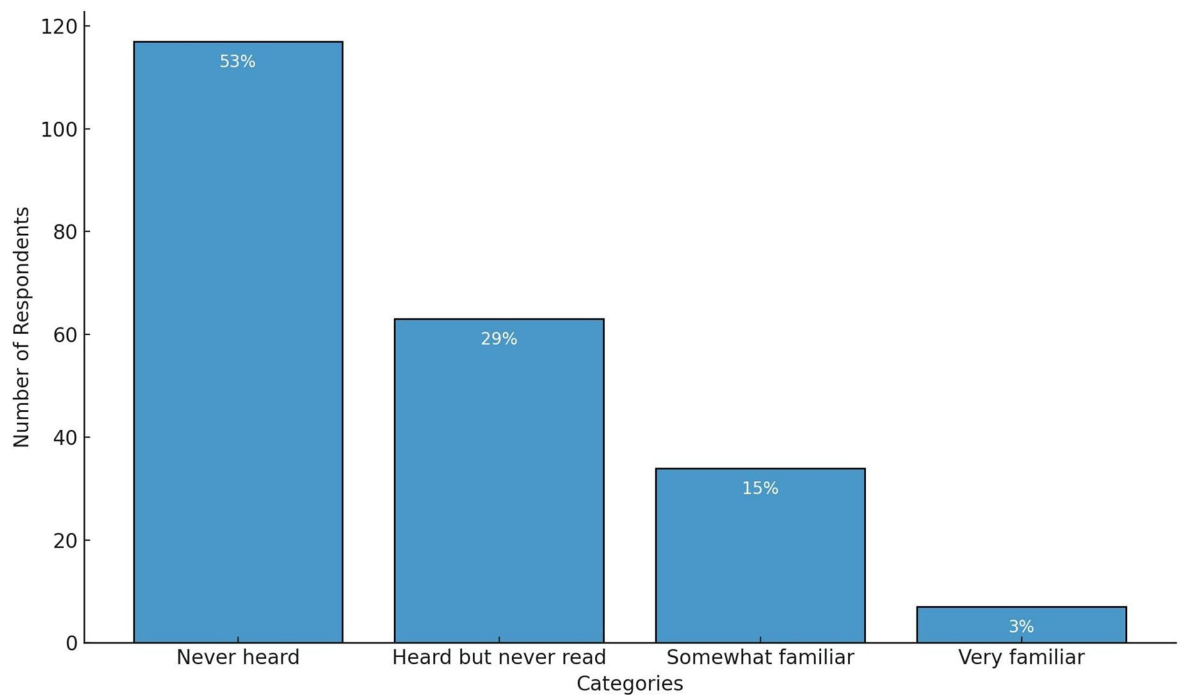

Fig. 4 Self-assessed awareness about the corporate non-financial disclosure (source: survey)

Table 5 Survey results: Obstacles in corporate sustainability ($N=221$)

Q7. What are some restraints for your company to perform corporate sustainability initiatives? Please select all that apply:	*N*	*%*
(a) There are no requirements to conduct sustainability initiatives from the government and/or community	89	40
(b) Managers lack awareness and a comprehensive understanding of corporate sustainability	64	29
(c) There is no interest from my co-workers	60	27
(d) There are no worldwide/uniform policies and regulations from the headquarters	43	19

by others. It may be that the promoters were not widely perceived as prototypical leaders (Hogg et al., 2012) capable of fostering a process of self-categorisation (Hogg, 2001, 2016a, 2016b), generating behavioural convergence among members (Hogg et al., 2012) and identification with sustainability norms and values amongst employees; who might otherwise have been inclined to see themselves as being in the 'in-group' (Stets & Burke, 2000).

When the survey, which revealed employees' limited familiarity with Alpha's sustainability agenda, was presented to Alpha's President and Vice President, the researcher observed disbelief, as they had not anticipated such low awareness given their perceived efforts to promote the sustainability agenda. The Vice President interpreted this finding as reflecting the novelty of sustainability within Alpha (Hahn et al., 2018):

> *"Sustainability is a very important topic for us, but it's not easy to talk about it at the company: our people have been struggling to understand this concept because it's new to us" (Vice President)*

This perception of the novelty was echoed by another interviewee, who emphasised the need for greater conceptual clarity and structural coherence in the Alpha's sustainability approach:

> *"I think a good goal to achieve would be having a clear idea of the concept of sustainability in Alpha, a set of indicators, proper engagement, and a process of collecting data." (Sustainable Development Committee Representative, Board of Directors)*

Although these reactions corroborated the survey's finding about the low levels of sustainability knowledge across Alpha (e.g., "a clear idea of the concept"), the Board Director also emphasised the need for an organisationally 'coherent' notion of sustainability supported by an implementation strategy (Hogg et al., 2012). In effect, this was a call for "instrumental cognitive structures of strategic frames" (Durand et al., 2019, p. 302) to help raise the salience of the (sustainability) issue, notwithstanding the intrinsically challenging nature of the goal put forward by the interviewee.

Further triangulating these results with documentary analysis conducted on corporate newsletters revealed the narrow framing of sustainability initiatives. For instance, Alpha's first article on sustainability centered on distributing reusable water bottles, which lacked a comprehensive vision or a clear strategy:

> *"The first of the initiatives that [Alpha] will promote among all employees will be the distribution of water bottles, to raise awareness on the issue of environmental protection and the reduction of plastic waste. […] Actions that range from clean energy to the reduction of inequalities, from the dignity of work to gender equality." (from the company's 2020 newsletter)*

The above-mentioned extract was taken from the first-ever article in Alpha's history on sustainability. It would be reasonable to expect that when introducing a new initiative, the organisation would clearly delineate its scope, definitions, and objectives. However, this article was focused on a very narrow, employee-centric aspect of environmental protection (i.e., reusable water bottles for staff), rather than presenting a comprehensive corporate framework or standardised approach aiming to spread a strategic and holistic view of the MNC's environmental norms and values. In essence, this lack of an overall picture may indicate that the role of sustainability was not clearly outlined or standardised, although it could also reflect an issue of ability (i.e., access to resources).

Another key survey finding was that 27% of respondents perceived their coworkers as uninterested in sustainability, while 29% viewed their managers as lacking a comprehensive understanding of corporate sustainability (Table 5). This result suggested that, within these groups, neither peers nor leaders prioritised sustainability-related norms and values (Hahn et al., 2015; Hogg et al., 2012). The interviews echoed this pattern, as several participants observed a limited understanding and interest in sustainability amongst managers, which in turn constrained their ability to effectively endorse and promote sustainability standards within the organisation:

> *"…Managers, not all of them […], didn't understand the importance of the non-financial report. […]" (Employee Training Specialist)*
> *"Probably it's not correct to use this word 'resistance', probably there is an underestimation of the relevance of sustainability [by managers]." (Sustainable Development Committee Representative, Board of Directors)*

These quotes support the findings of the survey, suggesting that some managers did not consider sustainability to be central to Alpha's identity (Hahn et al., 2015; Hogg et al., 2012) and that it had yet to be embedded in the managers' cognitive structures of strategic frames across the headquarters and subsidiaries (Durand et al., 2019). This managerial mindset, considering sustainability as disconnected from corporate objectives, had direct implications, particularly for the preparation of NFD. For example, the Sustainability Coordinator faced challenges in collecting non-financial data from managers, especially from subsidiaries, often needing to repeatedly explain the purpose and importance of the data collection process:

> *"[The Sustainability Manager] needed to ask for the data from each manager. We have to change this mentality, which is not easy." (Employee Training Specialist)*

From the perspective of Durand et al. (2019), it can be argued that the lack of salience attached to the sustainability data collection led these managers to view these requests more as a cost (in terms of time and resources) rather than as a value-adding measure. An interview with Alpha's President acknowledged that some managers failed to grasp sustainability's strategic importance. Nonetheless, s/he underscored its importance for the company's future and identity:

> *"There are managers who don't understand sustainability. But that [sustainability] is the only possibility for our survival; that's our future. We are not going to have a future if we don't work to understand, classify, measure, and improve." (President)*

The President's remarks illustrated the view that sustainability should serve as a source of strategic inspiration ("our future"), even though a limited understanding of its underlying norms and values amongst some managers continued to undermine its overall salience within the organisation. However, the following Vice President's remarks about values in connection with ethics added further nuance to the ethical dimension, suggesting a possible explanation for the behaviour of those managers who showed little willingness and interest to be perceived as in the 'in-group' (Hahn et al., 2015; Stets & Burke, 2000) of sustainability promoters.

> *"We need to be in equilibrium with others […]. We cannot absorb the resources of a society; this is a question of values. [We should] respect an equilibrium in value exchange and consider [society] as a part of the company, where half is represented by shareholders, and another half is the rest of the world." (Vice President)*

Building on this perspective, the Vice President highlighted a potential ethical dilemma concerning the balance between a managerial responsibility towards shareholders (see SubSect. "Recognising the Existence of Other Groups: A Nuanced View of Sustainability Adoption") and its ethical responsibility that entails additional costs and may therefore reduce net profits (Behnam & MacLean, 2011; Nesterova, 2020). This tension between the external pressures (Byun & Kim, 2017) of not belonging to the sustainability domain, such as the economic and ethical responsibilities towards shareholders, may help explain why, despite formal commitments, the adoption of sustainability standards remained uneven across the organisation. The empirical evidence collectively reflected a pervasive lack of sustainability knowledge amongst both managers and staff (Hahn et al., 2015). Despite the promoters' commitment and initiatives, their efforts had not effectively permeated the wider organisational structure. Rather, sustainability appeared to remain isolated within a specific organisational domain or 'silo', with limited influence on the everyday behaviours and practices of employees. Furthermore, it could be inferred that Alpha has (unintentionally) gravitated towards adopting sustainability standards in a symbolic manner. While the organisation appeared to have responded to normative pressures by formally complying with the sustainability agenda, we found little evidence of substantive organisational transformation, such as the implementation of concrete policies or the alignment of most employees' identity with sustainability-oriented values (Boiral, 2012; Perez-Batres et al., 2012; Vigneau et al., 2015).

Altogether, our data revealed a misalignment in how sustainability was prioritised across individuals within the MNC. This pattern echoed prior studies that had identified similar divergences in issue salience amongst different organisational groups (Howard-Grenville, 2006; Kok et al., 2019; Nesterova, 2020; Soderstrom & Weber, 2019). The varied and often conflicting interpretations of sustainability at the individual level appeared to have fragmented the organisation's sensemaking processes (Argento et al., 2022), leaving individuals' internal dispositions largely unaltered. Notably, the leadership of the sustainability field (Carollo & Guerci, 2018; Hogg et al., 2012; Zhu et al., 2016) expressed surprise at the extent of this heterogeneity in individuals' understandings, raising concerns about a disconnect between those driving the sustainability agenda and the broader workforce that is expected to embed and enact it.

Recognising the Existence of Other Groups: A Nuanced View of Sustainability Adoption

The analysis of both surveys and interviews suggested that one of the key factors contributing to the divergent sustainability adoption patterns was the relative autonomy of its subsidiaries. This structural autonomy enabled subsidiaries to develop their own strategic and operational priorities, which at times diverged from the norms advanced by the promoters' group, whose members were predominantly from the headquarters (refer to Table 2). Survey data indicated that 43% of respondents believed that decisions regarding sustainability strategies and standards rested primarily within each subsidiary (refer to Table 6).

Interview data further confirmed this decentralisation, as both headquarters and subsidiary participants emphasised that sustainability-related decisions were often contingent on local management discretion rather than corporate-level directives: *"We are very independent: only one correct way of working does not exist." (Compliance Officer, subsidiary 1).*

The President offered a complementary perspective, framing autonomy as a moral imperative grounded in respect for local differences:

Table 6 Survey results: Management strategy ($N=201$)

Q9. What is your opinion on the management strategy within Alpha? Please select only 1 option	*Headquarters*	*Subsidiary*	Total
(a) There is a *global* strategy that covers all companies located abroad and in Italy	12 (6%)	65 (32%)	77 (38%)
(b) There is a *regional* strategy that covers companies located in the same region	6 (3%)	32 (16%)	38 (19%)
(c) The development of management strategies is left to *each* company	6 (3%)	80 (40%)	86 (43%)
Total	24 (12%)	177 (88%)	

> *"We started working in the USA one year ago, and the American working style is totally different. We must accept this difference just as a specific working modality in Tunisia. For this reason, our [organisational] culture must be improved. […] It is very important to understand and respect, and not just create standards like the Code of Ethics. My priority is to respect [this diversity]." (President)*

The President thus considered autonomy as a form of respect and an ethical obligation, advocating against top-down impositions in the sustainability field (Behnam & MacLean, 2011; Frisch & Huppenbauer, 2014; Greenwood & Freeman, 2018; Zhu et al., 2016). A similar position was expressed by another interviewee, who viewed autonomy as a key enabler for subsidiaries to operate efficiently across diverse regulatory and cultural environments:

> *"… [subsidiaries] must maintain autonomy because it's not the same culture, not the same people, not the same goals. […] We do not have great correlation [with other groups], in the sense that what we do is very different because what we do is regulated by the FDA [Food and Drug Administration]. So we have to have very specific structures and processes […], etc. The rest of Alpha do not have limits; they function and behave differently. So from that sense it is good because it allows us to be very autonomous." (Employee Engagement Specialist, subsidiary 3)*

Although autonomy was seen as necessary for managing diverse business contexts and regulatory differences, it could also act as an external pressure (Byun & Kim, 2017) fostering the formation of distinct group identities and norms (Stets & Burke, 2000). For instance, the interviewee's remark that "what we do is very different" could indicate the presence of multiple groups within the MNC, rooted in their specific cultural, regulatory, and operational contexts. Because of these distinct identities, groups operating within subsidiaries may feel disconnected from the promoters' group norms and lack of behavioural convergence towards the prototype, resulting in a fragmented adoption of sustainability practices (Hogg et al., 2012). The documentary analysis of the Alpha's NFD and intranet materials confirmed this pattern, revealing that not all subsidiaries integrated sustainability-related ISO certifications, which suggested an inconsistent adoption across the MNC. This was confirmed by the Compliance Department Director, who, when asked about the reasons behind non-compliance with mandatory standards, explained that decisions regarding standards adoption were left to the discretion of subsidiaries:

> *"I do not know why subsidiaries did not sign a declaration […], [headquarters] cannot impose its policies. ISO is a choice of the subsidiary." (Compliance Department Director)*

Paradoxically, the emergence of diverging group identities within Alpha may be an unintended implication of the leadership's dual strategy of decentralising operations while simultaneously attempting to centralise 'ethical oversight'. This tension was noted in another interview with the President, who firmly rejected the notion of imposing a unified organisational identity across all groups. Given that each subsidiary produced different products and operated in distinct contexts, s/he advocated for the formation of project teams composed of individuals from various groups as a more effective approach:

> *"You need to talk to people from our subsidiaries so you can understand how many differences we maintain in this company. But, no, it is impossible to integrate them; [they produce different products], so it is impossible to move them together. I think we must […] create a network where each of them could participate in the creation of a new project." (President)*

However, the promoter group's efforts to substantively adopt a sustainability agenda while respecting other groups' identities were not shared by subsidiaries. Many considered these initiatives as overly complex and lacking coordination:

> *"When you think about sustainability, you have to think, 'Is it repeatable?' because as you grow, you have to use the same template and apply it to new pieces of growth. So those things, I think, are not happening, and I think it is messy." (Employee Engagement Specialist, subsidiary 3).*

This perspective reflected the practical limits of the headquarters-led coordination despite its ethical intent and suggested that other individuals did not feel themselves as belonging to or in the 'in-group' with the sustainability promoters (Hogg et al., 2012; Stets & Burke, 2000).

Collectively, these findings indicated that limited headquarters control might have diminished the prototypical leadership of the promoters (Hogg, 2001; Hogg et al., 2012) allowing diverse groups across the MNC to preserve distinct identities and norms, which constrained the diffusion of sustainability values and thereby a willingness and ability to subscribe to the sustainability standards. These dynamics were not confined to subsidiaries; similar patterns emerged amongst managers. For example, some interviewees explained:

> *"Alpha is passing from a little company to a big company, but it is not about the assets, revenue, or EBITDA [earnings before interest, taxes, depreciation, and amortisation]; it is about the mindset of the managers." (Financial Operations Specialist)*
> *"The objective of this company is people, and I believe that people are our true capital. But it is difficult to understand that people are more important than numbers. […] This is the only way to truly be considered multinational and create integration." (Employee Training Specialist)*

These interviews showed that the identity amongst managers remained anchored in financial stewardship and shareholder expectations, implying that many did not self-categorise themselves as being the promoters of the 'in-group' (Carollo & Guerci, 2018; Hogg et al., 2012; Hogg, 2016a, 2016b; Nesterova, 2020). This finding complemented earlier evidence of managers' low issue salience, limited interest in sustainability, and the Vice President's quote presented beforehand (subSect. "Challenging the Substantive Adoption: Insights from Outside of the Promoters' Group").

Consistent with prior research, managers continued to act as stewards who are primarily accountable to shareholders (Carollo & Guerci, 2018). However, since shareholders' priorities typically emphasise financial outcomes over sustainability objectives, this orientation could further reduce the issue salience of sustainability and its perceived benefits amongst managers (Bueno-Garcia et al., 2022; Hahn et al., 2015). Thus, one interviewee mentioned that local shareholders did not display interest in the sustainability-related topics:

> *"No, only foreign shareholders, particularly the French ones [are interested in ESG and ask for this information]. Italian shareholders say that it would be interesting, but for now they did not ask us about ESG topics." (Investors Relations Director)*

In this context, the managers' willingness to be perceived as aligned with or 'in-group' (Hogg et al., 2012; Hogg, 2016a; Stets & Burke, 2000) with shareholders introduced a moral dimension to the managerial decision-making. The need to address shareholders' expectations may further reinforce the organisational response to favour formalised compliance with sustainability requirements rather than a more substantive adoption (Durand et al., 2019). Hence, despite the promoters' high willingness and ability towards a substantive adoption of sustainability standards, their aspirations were not widely shared by other managers.

Overall, the evidence presented in this subsection indicated that Alpha's decentralised structure and heterogeneous group identities limited the diffusion of sustainability values beyond the promoters' group. The resulting diversity of perceptions, interests, and norms produced varying levels of salience and engagement across the MNC, constraining the potential for substantive and transformative organisation-wide sustainability adoption.

Discussion and Conclusion

This study problematised the internal dynamics shaping the often-observed dichotomy of organisations' symbolic vs. substantive adoption of sustainability standards. Rather than classifying organisations as either ethical or greenwashing, we explored the conditions influencing organisational willingness and ability to substantively pursue sustainability practices (Astrachan et al., 2020; Burritt et al., 2020; Delmas & Gergaud, 2014). Drawing on insights from Durand et al. (2019) and social identity theory (Hogg, 2016a), we addressed the question: *How does social identity(ies) shape the willingness and ability to adopt (substantively or symbolically) sustainability standards?*

Our research emphasises that in an MNC where there is a group of sustainability promoters their willingness and ability can lead to substantive adoption, but this condition per se is not sufficient because it could be verified only within that group. This substantive adoption does not extend beyond the promoters, meaning that at the organisational level, sustainability behaviours remain predominantly symbolic (Durand et al., 2019). Social identity theory explains how individuals align their behaviour with a group's norms and values when they seek to be perceived as part of the 'in-group', in this case, the sustainability promoters (Hogg et al., 2012; Hogg, 2016a; Stets & Burke, 2000). Conversely, when individuals do not consider membership in the promoter group to be salient, they are less likely to prioritise and internalise its norms and values (Hogg et al., 2012) over external ones (Byun & Kim, 2017) of other groups to which they belong (Stets & Burke, 2000). In our case study of Alpha, the group of sustainability promoters consisted predominantly of family owners, managers, and some employees, all of whom clearly demonstrated the internalisation of a sustainability-oriented identity (Hahn et al., 2015; Hogg et al., 2012) through their willingness and ability to substantively adopt voluntary standards, such as ISO, GRI, and SA frameworks. However, we found a disconnect between these efforts and broader organisational engagement. We observe that even in the presence of efforts towards substantive adoption, the promoters' group does not assume the prototypical leadership role (Hogg et al., 2012; Hogg, 2001, 2016a, 2016b). Therefore the process of self-categorisation of being in the 'in-group' occurs at cognitive individual level has not been enhanced for other individuals and groups, resulting in largely symbolic organisational behaviours.

Our findings indicate that at the *individual level,* sustainability had a low issue salience amongst many employees and managers. For instance, the survey results revealed that many individuals lacked a clear understanding of sustainability and perceived limited commitment from leadership and peers. Additional evidence pointed to the absence of sufficient initiatives aimed at fostering a shared organisational understanding and salience of sustainability and its related standards. As a result, individuals' norms and values remained unaltered, restricting the behavioural change needed for substantive adoption, i.e., what Haack et al. (2012) refer to as entrenchment and narration. These insights align with prior research showing that diverse interpretations of sustainability within organisations fragment sensemaking and delay cultural transformation (Argento et al., 2022; Hogg et al., 2012; Jamali, 2010; Soderstrom & Weber, 2019).

At the *group level,* despite the promoters' investments towards sustainability adoption (e.g., certifications, employee training, consultant services, and sustainability committee at the board of directors) (Carollo & Guerci, 2018; Hogg et al., 2012; Zhu et al., 2016), organisational changes towards substantive adoption remained limited, particularly within subsidiaries. Our analysis suggests that this was largely due to the presence of multiple coexisting groups, enabled by external forces (Byun & Kim, 2017), for instance, the high autonomy of subsidiaries. As a result, the engagement with sustainability standards varied significantly, with many subsidiaries adopting them selectively, if at all. This misalignment was further exacerbated by managerial perceptions of sustainability as either a low priority or a disorganised initiative. Even at the headquarters, some managers seemingly resisted adopting a sustainability-oriented identity, presumably due to tensions with their fiduciary responsibilities to shareholders. These findings echo prior literature stating that multiple social groups with distinct identities rooted in their cultural norms and values can coexist within the organisation (Hogg et al., 2012; Howard-Grenville, 2006; Kok et al., 2019; Nesterova, 2020) and, consequently, the sustainability-led prototypical leadership is unable to be embodied and generate behavioural convergence. Arguably, given the high autonomy, social groups may find their identities to be misaligned with the promoters' identity in respect to sustainability values, which ultimately hinders the standards' substantive adoption.

The contribution of this study is twofold. First, it extends prior work on symbolic and substantive adoption (Durand et al., 2019; MacLean et al., 2015; Perez-Batres et al., 2012) by showing that adoption outcomes are not solely determined by leadership intent or organisational-level legitimacy-seeking motives. Instead, we demonstrate how internal individual and group dynamics, competing interpretations, diverging norms, and the absence of a recognised prototypical leadership, or rewards and resources can undermine even well-intentioned leadership efforts. Our findings challenge the common dichotomy that tends to attribute symbolic adoption solely (or predominantly) to unethical leadership or greenwashing. We argue this presents important research implications for the mainstream and typically quantitative/cross-sectional studies of symbolic and substantive adoption of sustainability standards (e.g., Doni et al., 2020; Perez-Batres et al., 2012), which would benefit from exploring the influence of intra-organisational dynamics alongside extra-organisational ones. Furthermore, we extend Vigneau et al.'s (2015) work on the intra-organisational processes of adopting sustainability reporting standards (GRI) in an MNC. While the authors find an internal overemphasis on corporate social responsibility (CSR) *representation* rather than CSR *performance* (Vigneau et al., 2015, p. 483) when adopting such standards, our case highlights the potentially transformational nature of sustainability reporting standards and the likely root cause of substantive adoption, viz. we suggest that substantive adoption requires an alignment of identity across both individuals and social groups, especially in the case of complex MNC settings.

Second, we contribute to the literature on business ethics (Frisch & Huppenbauer, 2014; Greenwood & Freeman, 2018; Hogg et al., 2012; Zhu et al., 2016) by highlighting the roots of ethical dilemmas within organisations. Arguably, different norms and values infused in individuals can become external forces (Byun & Kim, 2017) in respect to a sustainability-oriented identity, giving rise to ethical dilemmas. The first dilemma evident in our study concerns the tension between granting subsidiaries autonomy and achieving substantive adoption. While such autonomy may reflect a moral commitment to respecting diversity and local decision-making (as suggested by the MNC's President), our findings indicate that this approach can hinder the organisational and behavioural changes needed for substantive adoption. In such an approach, the sustainability leadership identity may become fragmented, potentially constraining material organisational changes due to deep intergroup divisions. Another ethical dilemma arises in situations where, in the absence of collective sensemaking and strong internal policies, managers prioritise profit-maximising obligations over sustainability (Carollo & Guerci, 2018), perceiving its benefits as insufficient to justify the costs. These findings underscore that ethical leadership requires balancing normative ideals with practical group dynamics and institutional constraints.

The managerial implications generated from this study suggest that leadership should foster cross-group participatory mechanisms that give visibility to, and encourage understanding of, diverse interpretations and values around sustainability (Hogg et al., 2012), thereby helping to align these differing conceptualisations. Relying solely on top-down mechanisms risks overestimating individuals' readiness and ability to engage; instead, involving subsidiaries and diverse managerial voices in strategic sustainability discussions can promote a shared identity and foster self-esteem, particularly when these actors operate in different contexts. Moreover, managers require adequate support, resources, and rewards (Hogg et al., 2012) to reconcile short-term financial goals with long-term sustainability commitments (Hahn et al., 2015), while educating shareholders about the strategic value of sustainability can help align financial expectations with ethical and social priorities (Bueno-Garcia et al., 2022). Without these considerations, regulators' and policymakers' efforts to enforce standards' substantive adoption 'from the top' may remain fruitless if the standards' endorsement is not aligned with intra-organisational moral concerns (Christensen et al., 2017) and ethical behaviours (Weaver et al., 1999) 'at the bottom'. Lastly, our study indicates that sustainability-oriented leadership necessitates the support of a prototypical group of promoters (Hogg et al., 2012; Hogg, 2001, 2016a, 2016b) able to instigate in others the desire to be perceived as 'in-group' (Stets & Burke, 2000). This group must also be attentive to the ethical tensions arising from managers' multiple stakeholder responsibilities, particularly stewardship obligations to shareholders, which can limit willingness to fully embrace sustainability norms and values. Accordingly, we call for a rethinking of the pedagogical, contractual and statutory pathways through which managerial identities are shaped so that sustainability-oriented behaviours can be more effectively supported and diffused across the organisation.

There are several limitations that need to be accounted for. The first one is related to the specificity of the investigated organisation. Since the case study organisation is a fast-growing MNC that achieved high financial performance and scale within the last few years, additional research is needed to consider other examples of MNCs with a more established history and gradual growth. The second limitation concerns the data sources: while interviews primarily included managers, the survey captured the perspectives of employees. Although we sought to reflect diverse viewpoints by targeting different organisational roles, the use of distinct data sources may limit the depth of cross-level comparisons. Future research could adopt a more integrated approach by collecting qualitative data from both managers and employees across the entire MNC to better explore intergroup dynamics and uncover whether alternative or complementary dynamics are at play. This would also allow for a more nuanced understanding of the roles and characteristics of different groups, especially those that do not actively promote sustainability within the organisation, and the potential influence of hierarchical positions over sustainability practices. The same conceptualisation of 'group' adopted in this study has a limitation, primarily due to the absence of differentiation regarding the impact of proximity, interaction and reciprocal knowledge among, and between, in-group and out-group members. Future research could enhance the understanding of these dynamics. For instance, conducting an ethnographic study may yield insights into intra-organisational relationships and group dynamics, thereby elucidating their roles and effects.

Furthermore, we acknowledge that this study does not distinguish between the different typologies of standards. Therefore, future research could focus on sustainability standards/a specific sustainability standard for example applying social identity theory to the adoption of different sustainability standards that require more effort and cost in organisation by expanding the work of Behnam and MacLean (2011).

Further avenues for research could focus on the perspective of the less powerful social groups in MNC settings to reveal how to overcome the ethical aporia that arises when subsidiaries with a high degree of autonomy do not support the ethical commitment of the headquarters towards sustainability. Other studies could investigate case organisations with active trade unions, where employees may be able to leverage significant influence to advance sustainability. We also recognise the need to further examine the roots of individual actors' identities within organisations, for instance, identities shaped by broader capitalist culture and those that are only partially altered through belonging to sustainability-promoting groups. A promising direction would be to combine social identity theories (Carter & Spence, 2020; Hogg et al., 2012) with Bourdieu's theoretical constructs, such as habitus, which refers to the internalised structures formed through one's social environment and experiences (Bourdieu, 1990; Mangez & Liénard, 2015). Such an approach could provide deeper insight into how individual dispositions and backgrounds enable or hinder internalisation of sustainability values. Hence, future studies could extend our work by focusing more explicitly on participants' educational and cultural backgrounds, and skills and knowledge.

Author' Contributions

All authors contributed to the study conception and design. Material preparation and data collection were performed by Anarbaeva Akylai, conceptualisation was done by Pesci Caterina, and paper's structure was refined by Teerooven Soobaroyen. Analysis of data was conducted by all authors. The first draft of the manuscript was written by Anarbaeva Akylai and all authors revised and commented on previous versions of the manuscript. All authors read and approved the final manuscript.

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Data Availability All data and software (for survey – Qualtrics and SoScisurvey.de, and for data analysis – NVIVO) support written claims and comply with standards in the qualitative research field.

Code Availability Collected materials include transcribed interviews, internal organisational documents, and results of the conducted online survey. Any personal data or biological material of human participants and animals has not been used. It has been agreed that the identity of the case study organisation will be protected by the researchers and therefore, the name of the organisation and collected internal materials have not been disclosed in the manuscript. For the data transparency, upon request by the editors, raw data from the survey (personal data is encrypted) and interview transcriptions without disclosed names of interviewees can be provided.

Declarations

Competing interests The authors have no competing interests to declare that are relevant to the content of this article.

Ethics Approval Approval by the ethics committee was not needed for this study as Humans and Animals were not involved. The study did not use data or biological material of Human Participants and/or Animals. This research is based on the case study approach within the agreement between the case study organisation and University of Trento. Conducted interviews and a survey did not have any kind of risk or harm to participants.

Informed Consent Interviews: Verbal informed consent was obtained prior to all interviews. Survey: Invitation for the online survey was sent to employees on behalf of the University of Trento and case study company, whereby it has been explained that the participation is voluntary and responses are kept anonymous according to EU GDPR. Hence, utilised online software (NVIVO, Qualtrics and SoScisurvey.de) allowed access to users who received an email invitation to take the survey and encrypted personal data.

Consent to Participate Interviews: Verbal informed consent was obtained prior to all interviews.

Additionally, all interviewees permitted the researchers to record the conversation and use the results (only) for the study purpose. The identity of all interviewees is protected by the researchers and has not been disclosed in the manuscript. Survey: Invitation for the online survey was sent to employees on behalf of the University of Trento and case study company, whereby it has been explained that the participation is voluntary and responses are kept anonymous according to EU GDPR. Hence, utilised online software (NVIVO, Qualtrics and SoScisurvey.de) allowed access to users who received an email invitation to take the survey and encrypted personal data. Authentication of the respondents' identity is impossible.

Research Involving Human and Animals The submitted research did not involve Human Participants and Animals. The study did not use personal data or biological material of Human Participants and/or Animals. The collected materials include interviews and the survey. Conducted interviews and the survey did not have any kind of risk or harm to the interviewees and survey respondents.

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