SUSTAINABILITY AND THE NEW ZEALAND WINE INDUSTRY

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ABSTRACT

This thesis seeks to address the research question – what motivates the wine companies in New Zealand toward sustainability practices? Through interviews with representatives from fourteen wine companies, this study finds that while market incentives are identified as the key driver, there is a strong engagement with moral and ethical discourses in the participants' discussion of their own, as well as their companies', sustainability motivations. In these moral and ethical discourses, individuals' values and beliefs are often perceived as the normative core that challenges, and substantiates, the common 'business case' mentality. This is indicative of change in the social value system, as well as in the business' conception of its place in society. The study concludes that although many of the participating companies' involvement with sustainability practices is still largely market-oriented, such a business case is often rooted in, and sustained through, a normative case which is embedded in individuals' moral and ethical pursuits. In addition to these empirical findings, this thesis also aims to make a theoretical contribution to the field of business ethics by examining relevant moral and ethical issues in the business arena.

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INTRODUCTION

This thesis is part of a larger Marsden-funded research project, which examines the nature and potential impacts of tensions between government and business priorities of economic growth; and New Zealand's environmental sustainability positioning. In keeping with the overarching research theme, this thesis aims to contribute to the understanding of business' attitudes and practices in regards to issues surrounding corporate sustainability, with the focus on the New Zealand wine industry.

According to a report published by The New Zealand Institute of Economic Research in April 2009, after taking into account the New Zealand wine industry's interlinkages with the rest of the economy, the industry contributes over $1.5 billion to New Zealand's GDP and supports over 16,500 full time equivalent jobs. The industry generates over $3.5 billion of revenue through its own direct sales and the sales it induces from related sectors. Adding to these economic figures is the clean, green image of New Zealand that the wine industry helps to reflect (Tourism New Zealand, 2010).

An important aspect of the New Zealand wine industry lies in its ability to produce premium quality wines with a focus on sustainability (NZTE, 2007). The industry enjoys an international reputation for its proactivity and innovation in facing the growing concerns regarding sustainable development. This provoked my interest in finding out the key motivations that drive the initiatives and the practices toward sustainability in the wine industry. Thus, this research begins with the question: *what motivates the wine companies in New Zealand toward sustainability practices*?

While studies have sought to provide an understanding of sustainability issues in the New Zealand wine industry (see, for example, Gabzdylova, Raffensperger & Castka, 2009; Sinha & Akoorie, 2010), few have placed an emphasis on ethical implications of the industry's sustainability engagement. Specifically, although many factors have been identified as driving the wine industry's sustainability practices, such as personal values and marketplace expectation, there lacks theoretical insight into how these factors are anchored in, and help foster, individuals' as well as business' ethical and moral development, and the material implications of such development.

Therefore, upon presenting empirical findings, this thesis endeavors to make a theoretical contribution to the field of business ethics. In particular, through analyzing the wine companies' representatives' discourses of sustainability, as well as motivation, I seek to examine current practices and their implied philosophies in terms of major standards of ethical pursuits. Such theoretical development moves us beyond the commonplace business case argument and narrow 'codes of conducts' focus of business ethics. In rooting the issues of business ethics in their ontological and epistemological stances, we can gain a better understanding of not only the motivations that drive ethical business conduct, but also the changing attitude of business toward its place in society in aligning with evolving social moral and ethical values.

For this thesis corporate social responsibility (CSR) and corporate sustainability are used as generic terms and their points of congruence are highlighted in aiming to balance economic prosperity, social integrity, and environmental responsibility (Montiel, 2008). In a similar vein, van Marrewijk and Werre (2003) use corporate sustainability and CSR interchangely as broad concepts that refer to a company's activities that demonstrate "the inclusion of social and environmental concerns in business operations and in interactions with stakeholders" (p. 107). Underlying many of the forms and concepts that attempt to define such corporate effort, according to Schwartz and Carroll (2008), are the key themes of creating sustainable value, balance and accountability.

The remainder of this thesis is organized as follows: First, it reviews literature of business ethics and that of CSR. The literature review also includes an extensive discussion regarding the application as well as implication of business ethics in understanding corporate sustainability engagement and the evolving definition of the place of business in society. Then, it discusses the methodology and method employed in this study, with an outline of the limitations. In the next two sections, the thesis presents an analysis of the findings, followed by a discussion. Finally, the thesis concludes its empirical as well as theoretical contributions, along with suggestions for possible areas of future research.

LITERATURE REVIEW

On September 24, 2010, the 1987 feature film *Wall Street* saw the release of its sequel *Wall Street: Money Never Sleeps*. In his famous *Greed is Good* speech in the original film, Gordon Gekko reminded us that there was this thing called greed, which had led us to where we were and that we should follow our greed as it captures the nature of evolution. Twenty-three years later, Gekko's belief in greed continues – thus, or perhaps because, 'money never sleeps'. What choice does he have really, if that is the *nature* of evolution? This time, however, Gekko has begun to question his own paradigm, finding himself torn between his greed and other different kinds of value that have surfaced in his life.

One of the criticisms of the sequel has been centered on the consistency of Gekko's character. While I am not getting into a discussion about the film, since I am not a film critic, I do like to question the premise of such critique – would Gekko have been a better, or rather, more realistic character if his view of life had not been affected at all despite the emerging possibilities of reconciling with his daughter and welcoming his about-to-be-born grandchild? Perhaps this is not the case. Subject to a world that is fused with change and uncertainty, we are in constant need to adjust our actions and behaviors, forming new ideas and beliefs about our life. In fact, the only thing that is consistent is 'change'. To Gekko, greed is still good, but it probably is no longer enough. After all, if Darwin was right, we would only survive if we are responsive to change.

Thirty or forty years ago, Albert Carr's (1968) *Is Business Bluffing Ethical*, in which business ethics was compared with the game of poker, and Milton Friedman's (1970) *The Social Responsibility of Business is to Increase its Profits*, whose title says it all, were reflective of dominant thoughts in the domain of business ethics. Today sustainable development is among the top agenda not only in the political and social arena, but also as a commonplace discussion in the business sphere. If we must insist on a game analogy, Russian roulette would be much more appropriate now, for the discussion of business ethics is often drawn against the backdrop of business legitimacy and survival. Even John Elkington's (2001) 'Tipple Bottom Line', now widely cited in academic literature and business documents, in which business is prompted to seek beyond the financial bottom line and pursue environmental quality and social equity, has been deemed by some as inadequate. One most notable example, is Norman Wayne and Chris MacDonald's *Getting to the Bottom of Triple Bottom Line"*, published in 2004, in which they heavily criticized the proposed framework, on the ground that its operating principle is vague and that the method of social reporting is ineffective, to say the least.

The change of attitude, in respect to the understanding and expectation of business' responsibility, is indicative of an evolving social context. The twentieth century has witnessed a rapid expansion of the global market system and the rise of many transnational corporate giants, endorsed by the fundamentals of free market and the neoliberal political ideology, which desires minimal government intervention in the business sphere. Inconveniently, economic growth is not the equivalent of well-being (Diener & Seligman, 2004). What is missing in the equation is the damage we incur to our ecological system and many social issues we choose to ignore in the steps of development. As Hildyard (2008) pointed out, our current economic structure is designed to accumulate capital and focuses on short-term financial gain, leaving behind long-term social and environmental concerns. Under the pressure of growing public awareness, often mobilized by activist movements and catalyzed by corporate scandals, such as the Bhopal disaster and the collapse of Enron, corporations are facing increasing demand to take up more social responsibility and exercise their power by contributing to the improvement of environmental and social well-being. The recent financial crisis, in fact, is viewed by many as a wake-up call for us to rethink our economic and financial systems; to question the 'invisible hand' as an essential operating principle; and to incorporate social and environmental factors into system planning and policymaking. The debate about CSR and corporate citizenship, according to Birch (2001), is a realization of the metamorphosis of capitalism predicted by Lester Thurow almost half a century ago: "Paradoxically, at precisely the time when capitalism finds itself with no social competitors-its former competitors, socialism or communism, having died – it will have to undergo a profound metamorphosis" (1966, p. 326, cited in Birch, 2001).

At the heart of such changing social contexts and attitudes, lies an evolution of social value and belief. Van Marrewijk and Werre (2003), drawing from Clare. W. Graves and his thoughts on human value systems, argue that each value system will develop when the older system is no longer meeting the challenges and threats of its given life conditions. In response to changing circumstances and new opportunities, they state: "[I]ndividuals, organizations and societies develop adequate solutions, creating synergy and adding value at a higher level of complexity" (p. 109). Of the eight value systems developed by Graves – Survival, Security, Energy & Power, Order, Success, Community, Synergy and Holistic life system, according to van Marrewijk and Werre (2003), only the last six are most relevant to the context of corporate sustainability. The authors provided a comprehensive framework, aligning each value system to various levels of organizations' ambition towards corporate sustainability. On one end of the spectrum, when the dominant value system of an organization ascribes to *Energy & Power*, it has no ambition towards corporate sustainability and is primarily interested in power and domination. The next two levels show higher ambition towards corporate sustainability but are either compliance-driven (*Order*), which is mostly subject to regulations, or profit- driven (*Success*), promoted by self-interest. While the *Community* level of existence consists of organizations that genuinely care for human potential and the planet, *Synergistic* organizations seek for solutions that balance the needs for all economic, social and ecological systems. Finally, the highest level of existence is a *holistic* system, in which corporate sustainability is fully integrated and embedded in every aspect of the organization.

For van Marrewijk (2003), Arthur Koestler's concept of 'holon' and 'holarchy', further developed by Ken Wilber, is useful in an attempt to explain the complex process through which each value system emerges and transcends the older system. A 'holon' is simultaneously a whole and a part ascribing to changing contexts. 'Holarchy', then, describes the process whereby holons transcend and include their predecessor(s) while forming a hierarchical system of constantly evolving whole/parts. Van Marrewijk (2003) further elucidated that each 'holon' has its *agency*, which expresses its wholeness with self-preserving and self-adapting capacities, and its *communion*, which expresses its partness with self-transcending and self-dissolving capacities. A mainstream corporate response to issues surrounding corporate sustainability, for instance, is the advocacy of a voluntary approach which promotes business self-initiative and self-regulation. Organizations that adopt this approach demonstrate a strong exercise of their *agency* capacities in struggling to preserve conventional business order while adapting to a changing social context. However, subject to the growing dissatisfaction of the business voluntary approach, the *communion* tendency of business will then exercise its transcending as well as dissolving capacities and promote more substantive change in business practice. The conflict between rights and responsibilities, according to van Marrewijk (2003), is a form of tension between *agency* and *communion*, while all four capacities constantly negotiate over, and struggle for, priorities, principles and values in response to changing circumstances.

The ‘holon’ view challenges what DeLanda (2006) refers to as a social ontology of organic totalities, where “the component parts are constituted by the very relations they have to other parts in the whole” (p. 9). For DeLanda, the main theoretical alternative to such an organismic metaphor is Deleuze’s assemblages where wholes are characterized by ‘relations of exteriority’, where a component part of one assemblage has the capacity to detach and form new relationship(s) in other assemblage(s). Whereas a ‘totality’ mentality expresses ‘relations of interiority’ assemblages point to the fragmentation, brokenness and continuity of the world, where a whole cannot be reduced to its components because of the external exercising capacities of these components, as well as their properties. An organization, therefore, is an assemblage and the identity of such assemblage is stabilized when the exercising capacities interact to increase its internal homogeneity; and is destabilized when the exercising boundaries are challenged. The evolution of value systems in van Marrewijk (2003), then, can be viewed as materialized in a process of *territorialization* and *deterritorialization* (see: DeLanda, 2006). Thus the ascendance of each value system is a complex enduring process and in the context of corporate sustainability, an organization may achieve such ascendance when its *agency* and *communion* has reached a balance and its ‘relations of exteriority’ are stabilized in the regime of the new system. However, if this does not represent mainstream corporate practice, such social context can act to destabilize the new system and permit, or promote, the organization to descend until its *agency* and *communion* is rebalanced at a lower level of complexity.

This then begs the question – what motivates business to develop and move to a higher level of value system? Business ethicists have long strived to provide business with normative guidance, seeking stances on various moral and philosophical frameworks (Donaldson & Dunfee, 1994). Utilitarianism offers one such theoretical ground. The core belief of utilitarianism, like many other forms of consequentialism such as ethical egoism and altruism, is that the determent factor that should be used to judge an action is its consequence. To quote John Stuart Mill in his first edition of *Utilitarianism*, one of its main theoretical contributions, utilitarianism operates on the ‘greatest happiness principle’, which holds that “actions are right in proportion as they tend to promote happiness, wrong as they tend to produce the reverse of happiness” (1863, ii). Given that its central concern is to understand the base of corrective moral behavior and decision-making, utilitarianism, in its various approaches, is influential in many business ethicists’ endeavors to make sense of business moral practice. In understanding corporate philanthropy for example, Shaw and Post (1993) argue that utilitarianism provides a compelling and morally fulfilling justification of corporate philanthropic efforts, where business self-interest is seen as a contributing factor for, rather than detrimental to, generating greater public good. From a utilitarian viewpoint, then, we would not question business self-interest as the central motivation behind corporate acts towards social responsibility, so long as such acts yield good outcomes. This however, according to L'Etang (2006), runs into conflict with the underlying implications of the term ‘social responsibility’ which emphasizes “a specific obligation and a relationship in which there are reciprocal rights and duties” (L’Etang, 2006, p. 408).

Distinct from a utilitarian perspective, which judges an action by its consequence, the emphasis of deontological ethicists lies in rules, duties and obligations. One of the most influential deontological theories, which appears frequently in the writings of business ethics, is Kantian deontology. For Kant, the intention and motivation behind one’s action is paramount and a moral act must be motivated by duty. In reading Kant, Paton (1971) notes that the ‘categorical imperative’, central to Kant’s moral philosophy, is where the objective principle of practical reason is not conditioned by any end and that the action is good in itself without reference to any further end. That is, counter to utilitarianism, wrong-doing can never be justified no matter what its consequence will be and our moral value is bound to our duty to obey a universal law that is absolute and unconditional. The ends enjoined by the categorical imperative, in Paton’s (1971) account of Kant, “are simply moral actions willed for the sake of duty, which he recognizes to be good in themselves” (p. 168). In Kantian terms, then, corporate engagement with sustainability can only have moral value “if it is done because it is the right thing to do, and not because government or society demands it, or because it brings about beneficial consequences to the fortunes of the concerned corporate organisations” (Masaka, 2008, p. 19). For example, take again the case of corporate philanthropy. Although self-interest, as a primary motivation for corporate philanthropy, can find moral justification in utilitarianism, it would not resonate with Kant. Masaka (2008) asserts that a Kantian ethical point of view would morally condemn corporate philanthropy because it treats the acts of helping out society as a mere means to the enhancement of business fortunes, rather than out of concern for the welfare of society.

Deontologists’ critique of consequentialism lies centrally in its justification for morally repugnant acts. But, if we shouldn’t do wrong no matter what, is it fully justifiable for us to do what we consider right no matter what? Some deontologists have made attempts to make justification for deontological constraints which they believe to be applicable in certain cases. Frances Kamm's 'Principle of Permissible Harm' is an example of such attempt. In Rights, Duties, and Status (Volume II, *Morality, Mortality*), Kamm (1996) offered a comprehensive account of her proposed 'Principle of Permissible Harm', where she explained when it is and when it is not permissible to harm according to such principle, primarily with the use of Philippa Foot's famous 'trolley problem' – a moral dilemma where one may kill one person in order to save five others. Rather than basing the decision about whether to harm or not on calculating whether the beneficiaries outnumber the victims, like a utilitarian ethicist would do, Kamm's principle is formulated upon the consideration of the rights (in keeping with a deontological position) of all affected parties and how these rights might be preserved or violated. In reading Kamm, Otsuka (1997) argues that Kamm's defence of deontological constraints against killing "focuses on facts about the status of the potential victims of rights violations rather than facts about the agent who would violate the constraint" (pp. 202-203).

Kamm's thought, distinct from a moral absolutist deontologist who would not find any constraint justifiable, reflects deontological tendency in acknowledging that moral decisions can be circumstantial and, in effect, consequential, no matter from what grounds these decisions are justified. This acknowledgement indicates an effort to explain moral dilemmas in a deontological position. Such theoretical advancement is often attempted by ethics theorists, from various schools, in the hope of adding understanding and broadening application of their respective traditions. Eyal (2008), for example, has challenged the conventional treatment of utilitarianism as a version of consequentialism. For Eyal, a utilitarian view is not necessarily consequentialist because 'total utility' need not be thought to represent a good or the only good and therefore maximizing utility is not an equivalent of maximizing good.

Whether it is the non-consequentialist utilitarian claim or it is the deontological consideration of moral dilemmas, in any case these demonstrate ethics theorists' efforts to answer theoretical limitations while revealing the inadequacy of relying on any single theoretical framework to produce a universal system that can sufficiently answer all moral inquiries, in all circumstances, at all times. According to Arnold, Audi and Zwolinski (2010), in the recent development of business ethics studies, there has been an increasing acceptance in what they refer to as 'anti-master-principle' theories of morality. Drawing from Bernard Williams, the authors note that the differences in our moral values and convictions are not reducible to any single principle system and the complexity of our beliefs is not merely a surface-level phenomenon. For Williams then, they add, there is no reason to expect that there *must* be an underlying unity to our beliefs that could be captured by a single principle. Another Williams' argument against a master-principle, according to Arnold et al (2010), lies in the counterexamples that any principle theory could be subjected to. Utilitarian ethicists can often be asked to justify morally wrong-doing for instance, whereas Kantian scholars, as discussed above, would often struggle to justify deontological constraints.

Further, I may add that as an extension of the 'counterexamples' suggestion, these master-principle theories, though diverse in their fundamental positioning, can often be used to establish, or dispute, the same argument. Humber (2002) for example, in advocating for corporate moral autonomy, used both utilitarianism and Kantianism to challenge R. Edward Freeman's 'normative stakeholder theory' and posited a wholesale rejection on ethicists' attempts to develop and impose any special moral theory on business. Thus despite the continuously strong influence of traditional grand theoretical frameworks such as utilitarianism and Kantianism, as pointed out by Arnold et al (2010), recent ethical work has demonstrated growing skepticism in such 'master-principle' approaches and moved towards ethical pluralism and ethical particularism. They note that while moral pluralists emphasize the multiplicity of morally relevant accounts in moral decision-making processes, particularism takes into consideration particular contexts and circumstances in which such processes occur. The movement towards ethical pluralism and ethical particularism indicates growing philosophical sophistication in acknowledging the complexity and magnitude of moral issues in the business context.

In rejecting holding any principle theory as an absolute normative core, ethical pluralism and ethical particularism also reflects what Michalos (1995) has referred to as a 'pragmatic approach to business ethics', where he promotes a more pragmatic and less idealistic approach when considering business moral issues and moral decision-making processes. The principle of Michalos' *unprincipled* pragmatism, according to Shaw (1997), is his vision of human care – "If people stop caring, morality will cease to exist" (Michalos, 1995, p. 9). For Michalos, the fundamental basis of morality is human care and that as long as such basis is shared and acted upon, moral issues, both in their philosophical arguments as well as practical applications, can be explored from different and sometimes multiple ethical perspectives. Gustafson (2010) argued a persuasive case in proposing an approach that sees ethical theory as socially agreed-upon normative narratives – "narratives that unify us with others insofar as they describe our phenomenological experiences in a way with which many of us mutually resonate" (p. 141). Drawing from John Caputo and Richard Rorty, Gustafson (2010) posits that business ethicists can detach their ethical narratives from a deep, and often unnecessary or unfruitful, metaphysical debates but still use ethical theories to help make sense of real practical issues. For Gustafson (2010), such an approach is pragmatic in that it provides us with the freedom to pursue the questions that really matter. Following Rorty's thoughts, Gustafson (2010) suggests that, rather than getting into questions like 'what is real?' or 'what is rational?', perhaps business ethicists could start their inquiries by asking 'what is it useful to talk about?'

Then *what* is useful to talk about? So far my synthesis has been an effort to understand, at a macro level, some of the philosophical issues surrounding corporate sustainability. I deeply resonate with the work of van Marrewijk (2003) and that of van Marrewijk & Werre (2003), and believe that the core of corporate sustainability lies in the evolution in social value systems. I agree that the demand for such change, promoted by growing environmental and social pressure, challenges conventional business practices, attitudes and beliefs. This is an intricate process whereby various levels of *agency* and *communion* exercise their capacities in an ongoing process of territorialization and deterritorialization. In a practical sense, then, to understand why and how such processes occur we need to take into account various levels of business practice, from the individuals in the organization to the organization as a whole. For me, then, a very useful question would be: *What motivates business toward sustainability practices*? Having arrived at Michalos (1995) and Gustafson (2010) I now wish to provide some answers to this question from a pragmatic point of view.

Pragmatists do not concern themselves with seeking the answers of their inquiries in certain theoretical realms or being obsessed with rooting these answers in a definite philosophical origin. Paramount to a pragmatic perspective is the belief that theories are not always mutually exclusive and that sometimes multiple theoretical approaches can be employed to make sense of the same issue. Such an approach adds not only to the range of investigations we may pursue but also the scope of theoretical frameworks where we can seek answers. This is perhaps explanatory of the pragmatic tendency in recent business ethics development in the forms of ethical pluralism and ethical particularism. Business ethics is after all, by definition, an applied ethics.

As pointed out by Frederick (2000), established theory or philosophy cannot cope with the complexity of the questions being raised in business ethics and with his call for 'intellectual transformations', I shall begin my attempt.

> The driving force of these intellectual transformations is the heightened pace and range of a human evolutionary process that is opening up new behavioral, cognitive, and societal realms only incompletely understood while simultaneously revealing the inadequacies of present answers and of the conventional ways of seeking those answers (Frederick, 2000, p. 159).

Individuals, Virtue Ethics, Leadership & Entrepreneurship

One of the developments in the discussion of business and ethics, reflective of the pluralistic and particularistic tendency, is seen from the growing attention to virtue ethics. In *Evolution in the Society for Business Ethics*, Koehn (2010) notes that the recent movement in business ethics has shown more interest in virtue ethics (specific individual virtues or quasi-virtues such as integrity, trust and justice); and that ethicists have been "more willing to let the phenomena suggest possibly relevant standards or virtues instead of applying pre-existing frameworks to problems" (p. 748).

According to Hursthouse (1999), virtue ethics, following primarily the thoughts of Plato and Aristotle (in particular), is a normative ethics approach that emphasizes virtues and moral characters. In other words, whereas a utilitarian ethicist would say: 'you should do this because it would derive good outcomes' and a deontologist would say 'you should do this because it is your duty to do so', a virtue ethicist would say 'you should do this because such an act is kind and benevolent'. Distinct from other moral theories, as noted by Arjoon (2000), virtue theory "grounds morality in facts about human nature, concentrates on habits and long-term goals, extends beyond actions to comprise wants, goals, likes and dislikes, and, in general what sort of person one is and aims to be" (p. 173). Virtue ethics resonates with a pragmatic approach in that it recognizes the plurality and particularity of virtues that moral decisions are based on. Swanton (2003), in expressing a pluralistic view of virtue ethics, argues for a pluralistic conception of virtue based on the assumption that the fundamental bases and forms of virtue are plural and thus the features and standards of virtuous acts should not be ascribed to monistic criteria. For Swanton (2003), then, both the conception of virtue, and the view of rightness of action based on that conception, is pluralistic.

The pragmatic and pluralistic quality of virtue ethics makes its popularity among business ethicists who wish to explore more problem-based and agent-oriented ethical perspectives in the business context. Given its emphasis on personal and individual characteristics, virtue ethics has demonstrated its applicability in the writings of many scholars from the field of leadership and entrepreneurship. Whetstone (2001), in *How Virtue Fits within Business Ethics*, argues that virtue ethics provide business managers and leaders with practical applications in promoting moral development and moral reasoning. This is because, he notes, that virtue ethics is both *personal*, in focusing on the motivations of the actor and the sources of action, and *contextual* by highlighting the importance of understanding the environment as it affects both the moral agent and the act itself. Whetstone (2001) posits that managers and leaders would do well by paying attention to human virtues and vices because such an ethical approach complements other moral perspectives in seeking to address human behavior. In addition to its practical application in providing business managers and leaders with moral guidance, virtue ethics has also become an important category in understanding the ethics of leadership itself. According to Price (2004), "assessing the ethics of leaders requires that we consider the rightness of their means, the goodness of their ends, and the virtue of their characters and intention" (p. 463). He notes that distinct from a utilitarian point of view that focuses on overall utility maximization and Kantianism's emphasis on universal principles, virtue ethicists would argue that ethical leadership depends more on developing habits or dispositions to act virtuously.

One of the key challenges for leadership scholars, in Price's (2004) discussion of leadership ethics, forms around the issue of self-interest. As illustrated above with the case of corporate philanthropy, a Kantian point of view would not accept one's acting from his or her self-interest as morally valuable because the motivation and intention behind such an act is not duty-bound and therefore it has no intrinsic worth. Many business ethicists, especially those under Kantian influence, would not identify self-interested acts with ethical leadership practice and have sought to argue that the fundamental moral base for ethical leadership and corporate practice should be altruism. Kanungo and Conger (1993), for instance, posit that business leaders and organizations should fulfill their social and environmental obligations through adapting an altruistic moral approach. Ciulla (2004), on the other hand, has argued that holding business leaders to an altruistic standard, where they are asked to make self-sacrifices and prioritise the needs of others, is a very tall and extreme order. Further, altruism as one's motivation for an act does not necessarily prescribe ethical character in the moral agent and in the act itself. Robinhoodism, to use Ciulla's (2003) illustration, can be seen as altruistic but it is morally problematic.

Leaving moral debate aside however, Robinhood's act, despite its altruistic quality, can have elements of self-interest in it. Self-interest is not necessarily a synonym with selfishness and needs not be used to contrast altruism. Robinhood, after a day's work, in this context robbing the rich and giving it away to the poor, is allowed to feel materially and spiritually awarded for his good (obviously morally challengeable) act. In other words, one does not have to make self-sacrifice to act on the interests of others and that self-interest does not have to conflict with group interest. In the previous discussion we saw Shaw and Post's (1993) attempt of using utilitarianism to justify corporate self-interested acts. However there is a fundamental flaw in the utilitarian stream of justification, for such justification and rationalization, according to Williams (1973), makes absurd demands on the moral agent to produce impartial 'total utility' calculus.

Thus instead of a maximum utility calculation, we would do well to consider virtue ethics, which allows us to make sense of how one's self-interest can become a motivation for ethical acts from the point of view of the moral character of the agent as well as the act itself. For virtue ethicists, business leaders transform self-interest into ethical practice that benefits others not only because such acts are considered moral and virtuous, but also because of their personal integrity, trust and sense of justice. Indeed, Duska (2010) has noted that one of the movements toward an Aristotelian (or pragmatic) approach to ethics recognizes what he refers to as the "false dichotomy between altruistic and self-interested activity" (p. 730). He argues that the schism between 'acting prudentially' and 'acting from duty' has dulled and that business ethicists are working toward a better understanding of the conceptual foundations of business and the nature of human beings engaged in it.

Virtue ethics, given its individualistic approach as well as its pragmatic applicability, has been used by many business scholars to advance the studies of leadership ethics. In the context of corporate sustainability for instance, there has been growing interest in the role of virtue ethics in transformational leadership in accordance with corporate social and environmental responsibility. The concept of 'transformational leadership' was introduced by James MacGregor Burns. Burns (1978) defines leadership as "leaders inducing followers to act for certain goals that represent the values and the motivations – the wants and needs, the aspirations and expectations – *of both leaders and followers*" (p.19). For Burns, transformational leadership reflects the high moral and ethical standard of the leader where he or she seeks to “raise the level of human conduct and ethical aspiration of both the leader and led, and thus it has a transforming effect on both” (Burns, 1978, p.20).

The criteria of a ‘transformational leader’, in its demand for high moral and ethical character combined with vision and inspiration, is readily compatible with the requirement for leaders that are capable of assuming important roles in corporate sustainable development. In their examination of corporate governance in delivering excellence in CSR, Shahin and Zairi (2007) found that leadership style plays an important role in socially responsible organizations and that the transformational leader seems to be more effective in comparison to transactional leaders. In reviewing the literature of transformational leadership, Steward (2006) notes that while transactional leadership attends to the basic needs of organizations, transformational leadership encourages commitment and fosters change. For Steward, the distinction being made between transactional and transformational leadership is very much like the difference between management and leadership. In a sense then, whereas a leader can simply be in charge of managerial functions, a manager who has vision and is morally inspiring can become the transformational leader of the organization.

The emphasis of virtue ethics on individuals as moral agents makes it a very useful perspective in understanding the moral characters of transformational leaders and their practice. From a virtue ethics point of view, according to Koehn (1995), the important ethical matter is that individuals must be able to make contributions of value to a society or communal enterprise and that the virtuous agent simply is the person habituated to desire to do what is good and noble. In considering virtue theory and its applicability to leadership and CSR, Arjoon (2000) argues that what distinguishes a good leader is that “he or she is relatively more developed in the virtues and that person has a clear vision of the common good and the means to promote it” (p. 172). In understanding the morality and ethics of transformational leaders, Bass and Steidlmeier (1999) note that with the increasing application of virtue ethics in business studies, the virtue and moral characters of leadership have gained prominent attention. Interestingly, the authors find that virtue ethics is rooted in both the Western, Socratic school of thought in particular, and the Eastern, that of the Confucian tradition, in their shared emphasis on an individual’s virtue and moral character. In a similar vein, Ciulla (2004) has noted that what Confucius explicitly called the golden rule of altruism – “Do not do unto others what you do not want them to do to you” (Confucius, 1963, p. 44, cited in Ciulla, 2004) – is a shared principle in most major cultures, which demonstrates how leaders may, and would, transform self-interest into concerns for the interests of others. Both Socrates and Confucius, according to Bass and Steidlmeier (1999), emphasize that being leaders, those that are willing and capable of transforming their followers as well as the community, is a way of embracing virtue through the practice of morality where “one engenders virtue in self, others and society through example and virtuous conduct” (p. 196).

When a leader possesses transformational qualities and has the vision as well as passion for a social mission, he or she may become a social entrepreneur. One of the most comprehensive definitions of social entrepreneurship can be found in Sullivan Mort, Weerawardena and Carnegie’s (2003) *Social Entrepreneurship: Towards conceptualisation*, where they conceptualize social entrepreneurship as “a multidimensional construct involving the expression of entrepreneurially virtuous behavior to achieve the social mission, a coherent unity of purpose and action in the face of moral complexity, the ability to recognize social value-creating opportunities and key decision-making characteristics of innovativeness, proactiveness and risk-taking” (p. 76). In this definition the authors emphasize that the key features of social entrepreneurship include not only its concern and commitment in the social domain, the entrepreneur’s leadership aptitude and exceptional capacity, but also the virtue and moral characters of both the entrepreneur and the enterprise. According to Austin, Stevenson and Wei-Skillern (2006), the rise of social entrepreneurship in recent decades is reflected through not only the growing number of non-profit organizations, but also the increasingly dynamic forms of such enterprises. Social entrepreneurship, a concept commonly used to refer to non-profit ventures in the past, has now been expanded to include social purpose business ventures, such as for-profit community development banks, and other hybrid forms of partnership mixing not-for-profit and for-profit elements (Dees, 1998).

According to Roper and Cheney (2005), the development of social entrepreneurship reflects the inadequacy of social welfare systems generally under the free-market regime. In the private sector, corporations have long been portraying themselves as authoritative and governments as incompetent, pushing for maximal privatization and minimal government intervention. Having enjoyed the wealth and power they generated from the capitalist system however, corporations today find themselves in a changing social context where they are increasingly expected to do something with their money and power. For some, this is an irony. For some, it is an inconvenience. But fortunately, there are people in the corporate world who see this as an opportunity. As Roper and Cheney (2005) point out, private social enterprises are often led by value-driven, charismatic leaders who style themselves and their organizations as both innovative and socially responsible. Using the examples of successful social entrepreneurs from the private sector, such as the founder of the Body Shop – Anita Roddick, the authors argue that the reasons behind these successful social enterprises share in common the entrepreneurs' vision of socially responsive business and their ability of instilling such values in the organization.

Marrying the notion of social entrepreneurship with a clearly defined commitment to sustainable development, you then have sustainable enterprise. In presenting case studies of successful stories of sustainable business ventures, Pratt and Pratt (2010) use the term 'sustainable enterprise' to refer to " new, innovative or pioneering ventures that create value for entrepreneurs, their people, society and the environment through addressing unsustainability challenges and opportunities" (p. 152). These successful business sustainability cases, according to the authors, provide vivid evidence of how business can do well financially while at the same time contributing to making the world a better place. In facing criticism against the concept of CSR, Vogel (2005) argues that such criticism mistakenly puts making profits and pursuing social goals in conflicting terms. For Vogel, the striking development of social entrepreneurship over the last two decades is sufficient proof that it is possible for business to achieve both financial and nonfinancial objectives. In fact, the journey of many successful sustainable business ventures begin with their founders' vision and belief that business can do well by doing good (Pratt & Pratt, 2010). But vision and belief is only a start, talent and intellect is only what makes it possible. What is truly fundamental to their success, those that end up transforming their business and society, is the virtue and moral character of these social enterprisers. In other words, a successful sustainable enterprise must be anchored in, and sustained through, a moral purpose – a deep and genuine concern for the environment and the society. Being a successful social enterpriser then, returning to Bass and Steidlmeier (1999), is a way of embracing virtue and morality; and a way one engenders virtue in self, others and society through the example and virtuous conduct of social enterprise.

Indeed, the value of these social entrepreneurs lies not only in their success in creating a sustainable business, but also in the moral influence they place on others and the society at large. As discussed above, what distinguishes transformational leaders from transactional leaders is their enthusiasm and ability in uplifting the moral ground of their followers and in doing so transform their followers as well as the community. Many studies have sought to understand the influence of leadership ethics in the organizational context. Palanski and Yammarino (2009), for example, posit that leaders' integrity affects important outcomes such as trust, satisfaction, and performance at individual, group as well as organizational levels. Similarly, Dickson and colleagues (2001) have argued that an organization's climate regarding ethics is initially established by its founders as well as its early leaders and then is maintained and modified through the behaviors of the leadership. Whereas the climate regarding ethics is shared and clear, as noted by the authors, the characteristics of the climate regarding ethics will come to be internalized by organization members. In Pratt and Pratt's (2010) examples of successful sustainable enterprise, it is clear that the personal vision, value and moral integrity of the leaders have transformed not only their followers but also the 'climate regarding ethics' of their organization as a whole.

Successful sustainable enterprises transform their community and society not only in creating social as well as financial value, but also in that they become part of what many have come to refer to as the 'tipping point' that pulls other business towards a sustainable path. In embracing their virtue and morality, these successful enterprisers have served to elevate the moral ground of not only their followers and their organizations, but also the business community and society at large. In viewing social entrepreneurship as a mindset or a paradigm, Roberts and Woods (2005) posit that social entrepreneurship is a conduct that bridges an important gap between business and benevolence and as such, it has a place in any business. As more and more business incorporate such a mindset or paradigm in their daily practices in various scales, from experimenting with short-term strategies to incorporating CSR as company philosophy, a 'business case' argument for sustainability practices is strengthened and reinforced.

In this section I have attempted to explicate individuals' acts toward sustainability practices and their motivations behind these acts from a moral and virtue ethics point of view. In the next part, I turn my focus to sustainability practices at the organizational level as a whole. In an effort to provide a detailed account of the 'business case' argument, both of its justifications and concerns, I seek to further address the question – *What motivates business toward sustainability practices* from an organizational and business perspective.

Corporations, the Business Case and the Ethics of Strategy

The business case argument advocates for a voluntary approach and promote business initiatives in engaging with sustainability practices in response to the increasing social and political tension set on issues surrounding sustainability. The first and foremost rationale for the business case of sustainability, according to Carroll and Shabana (2010), is the belief that "it is in business' long-term interest – enlightened self-interest – to be socially responsible" (p. 88). In reviewing arguments for the business case, the authors note that engaging and advancing sustainability practice is seen as a proactive response for business to ensure its long-term viability, fulfill public expectations, and minimize government intervention. Underlying the key rationales for the business case is the assumption that there is a financial incentive for business to engage with social and environmental issues. Theories and frameworks for or against the business case therefore, according to Salzmann, Ionescu-somers and Steger (2005), seek to explain the nature of the relationship between financial performance and environmental or social performance. Studies that establish a positive link between financial performance and environmental or social performance usually come to the proposition that managing environmental and social issues and promoting sustainability practice can be viewed as business strategic management. The subsequent term 'strategic CSR', then, is typically employed to refer to the scenario where business engages with sustainability practice as a part, and sometimes the core, of their internal strategic positioning.

One of the early CSR initiatives was the movement that transformed 'maximizing profit' stockholder claim into stakeholder theories that expand business managerial concerns to include other interested parties, such as employees and communities (see, most notably, Freeman, 1984). Stakeholder theories, according to Duska (2010), were the most salient and persuasive arguments against the traditional shareholder mentality. Over the years stakeholder has become commonplace language, or, what Campbell, Craven and Shrives (2003) has called the "stakeholder metanarrative" (p. 559) in the discussion of corporate sustainability. Many theoretical and empirical studies, although not using stakeholder theories as a central framework, would feature some reference to stakeholder-related arguments simply because the discussion of corporate sustainability naturally concerns various business constituencies which fall into the realm of stakeholder theories. However, according to Duska (2010), recent developments in business ethics has seen an evolution of 'stakeholder theory' into a theory of 'value creation' for business. Duska asserts that some business ethicists have demonstrated interest in developing a fiduciary theory that concentrates on the purposes of business. In such theory the purpose of business is no longer centered on serving stakeholder relationships, but to create values for all involved.

In fact, from an 'ordonomic' approach, Pies, Beckmann and Hielscher (2010) have sought to develop a business ethics conceptual framework which presupposes the claim that the purpose of business in society is value creation. The authors argue that management should develop competencies at three levels: basic game (basic level of CSR conduct), meta game (rule-setting process), and meta-meta game (rule-finding discourse). Value creation here is seen by the authors as business' society mandate, which companies can fulfill "if they participate as political and moral actors in rule-setting processes and rule-finding discourse aimed at laying the foundation for value creation on a global scale" (p. 276) In their chapter in *The Oxford Handbook of Corporate Social Responsibility*, Kurucz, Colbert and Wheeler (2008) organized the existing reviews and models of the business case arguments for CSR into four modes of value creation. The authors admit a deliberate attempt to consider value creation at various levels of the arguments, in the hope of broadening the theoretical scope of the business-case making. Each mode, in Kurucz et al's conceptualization, rests on a broad value proposition for corporate social responsiveness and performance.

The fist type of business case in Kurucz et al's (2008) categories is *cost and risk reduction*, where companies engage with sustainability practice in order to reduce costs and risks. Central to this line of argument, according to the authors, is the view that "the demands of stakeholders present potential threats to the viability of the organization, and that corporate economic interests are served by mitigating the threats through a threshold level of social or environmental performance" (p. 88). For instance, Paine (2003) posits that one of the central arguments for the business case of sustainability practice forms around the notion of 'risk management', where managers find motivation to promote CSR because of their concerns of certain risks such as those associated with misconduct (Paine, 2003). By focusing on the values that guide people's behavior, she argues, these managers "hope to minimize the incidence of malfeasance and its damaging consequences" (p. 8). Some CSR scholars, in efforts to provide a practical framework, have sought to develop measurement models to assist managers evaluate the drivers of sustainability practice. For example, in her CSR benefits measurement model, Weber (2008) notes that one of the primary value drives for corporate sustainability practice is the potential savings from CSR-induced cost decrease. This may occur from internal cost savings (e.g. efficiency improvement), as well as external cost savings, such as those from reductions of taxes or duties. The *cost and risk reduction* category presents the most direct cost-benefit analysis for the business case argument. The value proposition of this type of argument, according to Kurucz et al, focus on some form of *trading* interests among social, environmental and economic concerns.

The next category of the business case argument is based on the premise that through strategically implemented CSR practices, companies can gain *competitive advantage* by setting themselves apart from other industry rivals. Kurucz et al (2008) note that in this line of argument, companies that engage with CSR practices can be seen as creating value through *adapting* to the external context in order to optimize competitive advantage in their industry. One of the most widely employed theoretical paradigms under this stream is the 'recourse-based-view of the firm'. The recourse-based-view theories are commonly used to assess how, if managed strategically, sustainability practice can become a firm resource or capability which can then translate into competitive advantage. One of the earliest applications of such a framework to CSR appears in Stuart Hart's (1995) *A Natural-Resource-Based View of the Firm*, where he argues that strategists and organizational theories need to understand how environmentally oriented resources and capabilities can yield sustainable sources of competitive advantage. For another example, Branco and Rodrigues (2006) view resource-based perspectives as a useful framework to understand why firms engage in sustainability practice. The authors argue that a resource-based perspective helps identify what kind of competitive advantage a firm can generate through CSR activities. This could point to internal benefits, such as improved employees' loyalty, or external benefits, such as enhanced company reputation, or both. Further, using what Hess, Rogovsky and Dunfee (2002) have referred to as the 'new moral marketplace factor', the authors argue that a company's sustainability competitive advantage is becoming crucial because of the increasing importance of perceived corporate morality in choices made by consumers, investors, and employees.

The value proposition moves from *adapting* to *aligning* in the third category of the business case argument – *reputation and legitimacy*, where business engages with CSR practice to gain legitimacy and reputation; and in doing so align with political and social norms and expectations (Kurucz et al, 2008). Reputation is seen as the most valuable asset of business (Jackson, 2004) whereas legitimacy has been defined as "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" (Suchman, 1995, p. 574). Reputation and legitimacy, especially the former, are still often associated with competitive advantage as they can be viewed as a type of intangible assets (e.g. Roberts & Dowling, 2002). However, in moving from *adapting* to *aligning*, the value proposition has shifted from focusing on competitive advantage to placing an emphasis on the relationship between business and the society in which it operates. As suggested in Suchman's definition of legitimacy, as social entities, business is expected to operate according to social norms, values, beliefs and definitions. In a pressing social context where the society's values and beliefs are ever more aligned with sustainability, CSR activities present business with good opportunities to establish, maintain and enhance their reputation and legitimacy. One important contribution, in this line of argument, is the 'license to operate' theory. In line with the notion of legitimacy, according to Porter and Kramer (2006), the concept of 'license to operate' derives from the fact that "every company needs tacit or explicit permission from governments, communities, and numerous other stakeholders" (p. 81). To the extent that CSR has become common social norm and is increasingly expected from business, it is sometimes used as a synonym for 'license to operate' (see, for example, Middlemiss, 2003).

The last category in Kurucz et al's (2008) value propositions for the business case argument is *synergistic value creation*, where companies explore innovative models and approaches in seeking win-win outcomes that create values for multiple stakeholders simultaneously. By engaging its stakeholders and satisfying their demands, according to Carroll and Shabana (2010), the win-win perspective to CSR practices allows the firm to find "opportunities and solutions which enable it to pursue its profitability interest with the consent and support of its stakeholder environment" (p. 100). The value proposition of this mode of business case is *relating*. For Kurucz et al, a win-win scenario presents itself when disparate elements in the operating domain are connected and that we can find novel ways to integrate these elements. In O'Higgins's (2009) conceptual framework of a company's orientation toward CSR, for example, the synergistic value creation mode falls into the 'Engaged' company configuration toward CSR. O'Higgins posits that an 'Engaged' CSR company has vision for long-term sustainability and attempts to safeguard itself into the future, "by creating a self-perpetuating virtuous cycle that is good for all stakeholders, including owners, enabling it to serve two purposes simultaneously" (p. 161). O'Higgins's 'Engaged' CSR company model showcases the *synergistic value creation* proposition through its emphasis on shared value, as well as the belief of an integrative potential – doing well for all stakeholders can be synergistic with doing well for the firm and that it is possible, and desirable, to achieve economic ends by means that fulfill deeper purposes and ethical values.

Each category of the business case for CSR, in Kurucz et al's (2008) framework, indicates a company's involvement with and objective toward CSR, presupposed by the corresponding value proposition. What is fundamental in the shifts of these value propositions, from *trading* to *relating*, is business' interpretation and definition of its place in the society, from business-centric (only consider CSR as a trade-off) to the view of business as an integral part of the society. The business case for sustainability practices, while promoting CSR engagement, maintains that the primary objective of a business is to function as an economic engine and it, by character, operates under the market mechanisms and financial incentives. In other words, from the business case point of view, companies that adopt sustainability practice and engage with social and environmental issues will be rewarded by the market, whether through the reduction of risks and costs, increased competitive advantage, enhanced reputation and legitimacy, or, added values for multiple stakeholders.

On the other hand, however, skepticism and criticism of the business case argument have been raised from different grounds and to various extents. One line of critical arguments against business' involvement in sustainable development questions the use of market and financial incentives as the operating principle in seeking answers for social and environmental issues. Rather than opposing the specific business case argument per se, this line of thought challenges the fundamentals of the 'invisible hand' as the only solution to social and environmental problems. McMillan (2007), for example, is skeptical about the role of corporations in sustainable development. For McMillan, corporations function to serve, and benefit from, the market rationality and therefore their principle objective is to create financial capital rather than social capital. From a discourse perspective, the author posits that the central instrumentality of corporate rhetoric is profit and productivity, exclusively privileging a few key shareholders. Using the case of the insurance industry's securitization of risks, Jagers, Paterson and Stripple (2005) demonstrate how corporations can retain hegemonic control through the use of capital markets and financial mechanisms. In this scenario, the increasing number of catastrophic weather events provided a material incentive for the insurance industry to engage with issues regarding climate change. This incentive was then utilized by the Greenpeace in trying to persuade the insurance companies to consider the tension between the insurance industry and the fossil fuel industry due to the risks of climate change. However, instead of committing to finding solutions that can help to reduce emissions, the insurance companies were quick to turn the risks of climate change into a profitable investment opportunity. The authors argue that through the invention of Insurance Linked Securities, as a financial strategy, the insurance companies limited their own exposure to risks and consequently undermined the Greenpeace's initiative in exploring options of mitigating climate change.

In questioning the effectiveness of the 'marketplace' as a regulating mechanism, some have argued for more regulatory frameworks to balance the power of corporations and safeguard social and environmental interests. For instance, Giddens (1998) notes that the reliance on market can cause endless fragmentations – such evidence as financial crises and erratic fluctuations are not marginal but "core features of untamed markets" (p. 148). Further, the author posits that many other pressing issues, such as global ecological management and world inequality, are deeply embedded in the profound economic divisions in world society. Therefore, it is suggested by these ideas that not only the 'marketplace' is an insufficient adjusting tool, but also that the market itself needs to be better regulated. In examining the development of CSR in the European Union, De Schutter (2008) posits that the establishment of the European Alliance on CSR in 2006, where CSR was perceived as fundamentally a business voluntary behavior, was a clear indication that the business case for CSR has prevailed in the European Union. Under the discourse of 'proceduralization', the European Commission abandoned its original initiative of seeking 'additional action' through its European Multi-Stakeholder Forum (2002-2004), forgoing its efforts in establishing a regulatory framework for CSR. For De Schutter, it is naïve to simply presume that market mechanisms will provide sufficient assurance on CSR practices "without there being any need for a regulatory framework to ensure its adequate functioning—namely to reward the best practices and sanction the worst forms of behavior" (p. 216).

One business response to the call for regulation has been the instigations of industry-level regulatory mechanisms through industry associations and their sponsored programs. According to Campbell (2006), industries often establish their own regulatory mechanisms to "ensure fair practices, product quality, workplace safety, and the like by setting standards to which their members are expected to adhere" (p. 930). Self-regulation of an industry, as noted by Wotruba (1997), is typically initiated by industry organization such as a trade association. Schaefer and Kerrigan (2008) find that a variety of factors seem to determine the extent to which industry associations engage in social responsibility related activities on behalf of their members, such as the nature of the industry, its history and structure and the level of external pressure it faces. From an institutional perspective, Campbell (2006) adds that industry' initiatives for self-regulation could result from a number of reasons: while some are authorized by the states, others take such initiatives to prevent future government intervention or to amend perceived inadequacies of government regulation. The interplay between industry self-regulation and government regulation, for Rees (1997), reflects a kind of 'associationalism' that marks the middle way between governmental regulation and laissez-faire prescriptions.

Gunningham and Rees (1997) posit that industry self-regulation has the potential to play a key role in regulating business activities and thus should be adopted as an effective and efficient means of social control. Campbell (2006; 2007) concurs this by suggesting that corporations will be more likely to act in socially responsible ways if there is a system of well-organized and effective industrial self-regulation in place to ensure such behavior. The industry codes of conduct through its trade association, provided that they have a high compliancy rate, can provide "an effective form of self regulation with near industry-wide participation, a workable process of company reporting, and periodic disclosure of industry results to regulatory agencies" (Hemphill, 1992, p. 919). In terms of practice, business and policy scholars have worked to propose various strategies toward making industry self-regulation an effective regulating mechanism. These strategies range from non-coercive means such as using peer pressure or the diffusion of best practices (Nash & Ehrenfeld, 1997), to strong encouragement of an explicit sanction mechanism in order to prevent free riding and opportunism (King & Lenox, 2000), or to avoid the problems of adverse selection and non-compliance (Lenox & Nash, 2003).

Industry's initiative of self-regulation is an institutional effort to avoid government intervention in the private sector. Even under the form of public-private partnership, where industry seeks collaboration with the state, such attempts of co-regulation still capture cases where private actors self-regulate to avoid or reduce threats of state intervention (Auld, Bernstein & Cashore, 2008). This is because industry associations, essentially, function as and service to business. Such industry-initiated regulatory frameworks fall in what Bernstein and Cashore (2007) refer to as 'non-state market driven systems', where regulatory initiatives are effectively driven by the market. This is reflected not only through the market-based incentives of these self-regulating initiatives, but also their use of the market as reinforcing or even sanctioning mechanisms, such as the use of the market supply chains as an authority point (Bernstein & Cashore, 2007), or the use of improved public image (translate into competitive advantage) to attract members (Auld et al, 2008). In this sense, such efforts of the industry associations can be viewed as an extension of the business case, where private voluntarism takes the central stage because of the fundamental belief of business self-regulation and the reliance on the market mechanisms. Evidently, while these industry associations may welcome government input on some regulatory matter, they are generally well known for their corporate advocacy through legislative lobbying (Ashforth & Gibbs, 1990; Bertels & Peloza, 2008). For another example, according to Bernstein and Cashore (2007), when the market signals are not strong, these market-driven regulatory systems need to maintain or lower requirement standards in order to gain additional firm participation. This would affect the overall effectiveness and progress of the regulating initiatives.

Industry self-regulation, therefore, can be viewed as a form of corporate power extension into the policy-making domain. While such industry initiatives may have some positive input toward regulating business behavior, some are concerned with the increasingly blurred boundary between the business and the state. In studying the growing political power in business for instance, Fuchs and Lederer (2007) argue that the increasing divergence in resources between business actors on the one side, and the state and civil society on the other, is a destructive source for democracy, social justice and sustainable development. Under such concerns, many have argued for a bigger role for the government in regulating corporate acts and promoting a more ambitious agenda in public policymaking toward sustainable development. Some of this line of argument is based on the assumption that the market alone cannot act as the facilitator for the change we need to make a real progress in solving social and environmental issues – "markets don't really work that way" (Doane, 2005, p. 22). Others align their arguments with the necessity for the nation-states to build environmental security (Foster, 2001); establish environmental legitimacy (Gilley, 2006); and reinforce a substantive state role in sustainability governance (Frickel & Davidson, 2004).

Crane and Matten (2004), for instance, argue that the market-determined short-term view of business makes it necessary for the government to develop regulatory terms that will look after the interests of future generations. While a long-term government plan and implementation of environmental policies can be truly effective, this cannot be envisaged with many of the current political structures. For one thing, with political parties taking terms for national governance and often using policy promises for party politicization, there is hardly the case for long-term sustainability policy plans. Many of the arguments for and against the business case can also be applied to point out the advantages and constraints of politics in its role for sustainable development. For example, the argument could be made that both cannot, and should not, act as moral agents because just as business needs to serve its primary goal of making profit, political actors have to accomplish their key objective of acquiring power. To the extent political actors are obligated to act on the interests of their electorates, environmental and social policies may not be substantial or long-term until they become mainstream public concerns. Further, in a society where its social and political structure is deeply embedded in the market system, political actors to a large degree depend on, and thus are constrained by, economic forces so that it is in their interests as well as obligation to voice for the business arena (for example, under the pressure of powerful corporate lobbying, or subject to party finance).

In recent years, as Lyon and Maxwell (2004) speculate, there has been a growing prominence of government voluntary programs where governments seek sustainability progress through public voluntary agreements. According to the authors, these programs and agreements reflect a growing awareness that traditional regulatory measures can be costly, ineffective or politically infeasible. However, while some see such government voluntary programs as presenting a more practical, flexible approach to regulation, others perceive them as an obstacle to more stringent, mandatory programs (Morgenstern & Pizer, 2007). According to Daley (2007), government reliance on voluntary programs represents a significant shift in public policy, from command-and-control regulations to market based mechanisms. In such a shift, governments, to a certain extent, help advocate for the ‘business case’ of sustainability by adopting market principles and, as discussed above, give business the opportunity to co-regulate in order to reduce threats of state intervention. This also indicates that traditional mandatory policy approach, while perhaps desirable, is often unfeasible under current political agendas and socio-economic structures.

Frustrated with many regulatory attempts leading to a market constraint, in an more extreme form of argument against the business case, some have projected complete rejection on using market mechanisms as key solution for social and environmental issues and argued for radical legislation and system-level change. Porritt (2004), for instance, posits that the global market system, and the capitalism ideology it is rooted in, has created a world that is central to materiality. In such market rationality, the economic system is the dominant paradigm that creates a narrow lens through which everything is seen as business. Through this lens, as pointed out by Porritt, citizen becomes consumer and the society’s perceived value is measured by its economic gains. It is also through this lens, the proposed ideal of the triple bottom line is quickly translated into subjects of eco-efficiency and resource productivity, with the convenient shield of corporate social reporting. Therefore, following this line of argument, substantial improvement on environmental social standards cannot be achieved unless we undergo a system-level reform and reconfiguration.

Notwithstanding the many issues within the current market system, another way of looking at Porritt's argument though, is that since the economic system is the dominating benchmark, the 'economic lens' is perhaps the most feasible place to provoke changes toward the sustainability agenda. Whether or not 'limit to growth' is the only answer to social and environmental issues, the success of the sustainability enterprise turns heavily on business' attitude and involvement, precisely because it is unrealistic to expect any 'system-level' change without business getting on board. One reason being, obviously, is that business is the cause of many environmental and social problems and if they are not incentivized to mitigate, things will just get worse. In fact, in response to increasing social and environmental concerns, many have argued that economic growth, if managed properly, can help resolve social and environmental issues (e.g.: Charnovitz, 2003; Esty, 2002; Frankel 2008). This stream of claims is based on the assumption that market and trading systems need not be viewed in conflicting terms with environmental protection and social improvements and that social and environmental sensitivity can and should be built into the economic system and policymaking.

Another reason for promoting business' involvement in social and environmental issues, as listed in Davis (1973), is 'business has the resources'. According to Davis, this line of arguments posit that business has many valuable resources, such as management talent, functional expertise, capital assets, and innovative ability, and therefore society should uphold business to use their resources to contribute to solving social issues. This then leads to the question that underscores the business case argument – is there any incentive for business to actually use their resources toward promoting sustainability practices? Given its premise based on the market principle, the validity of the business case argument depends essentially on whether business perceives a positive correlation between financial performance and social or environmental performance. Indeed, one of the most critical assessments of the business case argument points to the lack of empirical evidence of the causal connections between financial performance and social or environmental performance. Such skepticism rises when studies that seek to establish such correlation yield negative or inconclusive results (see, for example, Wright & Ferris, 1997; Johnson & Greening, 1999).

While such empirical measurement is notoriously hard to establish and that the structure for analysis is often considered flawed (McWilliams & Siegel, 2000), some have sought to conduct a meta-level analysis in order to provide more generalized knowledge by taking into account study artifacts of primary researchers rather than simply calculating the results of these studies (e.g.: Orlitzky & Benjamin, 2001; Orlitzky, Schmidt & Rynes, 2003). Orlitzky (2008) notes that according to the meta-analysis, there is an overall positive relationship between financial performance and social performance and such positive correlation is most likely associated with enhanced corporate reputations. Evidently, a variety of corporate communication and advertising activities have been employed by business to enhance reputation by linking corporate image and brand with CSR activities. Most noticeably there has been a growing trend in corporate social disclosure and various forms of corporate societal marketing (such as cause advertising and issue advocacy, see Drumwright & Murphy, 2001). For instance, Hoogiemstra (2000) argues that social responsibility disclosure can help create competitive advantage for a firm because "creating a positive image may imply that people are to a great extent prepared to do business with the firm and buy its products" (p. 64). Similarly, from a resource-based view, McWilliams and Siegel (2010) argues that advertising plays an important role in capturing the value of CSR actions by making consumers aware of the company's CSR attributes or processes.

Business attempts to communicate with its stakeholders about, and advertise for, CSR activities can contribute to higher financial performance by enhancing corporate reputation. This, in turn, helps to make the business case by increasing the positive correlation between financial performance and social or environmental performance. However, corporate communication about CSR activities must be substantiated by the company's ongoing commitment and genuine endeavor toward CSR. Lacking long-term goals and real effort will expose the company to the criticism of greenwashing or bluewashing – through the reputation of the United Nations (see: Cox, 2006; Laufer, 2003). Honest, transparent and accountable communication is not only in keeping with core business communication ethics, but also simply a smart thing to do. With the growing scrutiny from various social parties, such as consumers, activist groups, regulatory bodies or even competitors, unsubstantiated greenwashing can backfire and damage the company's reputation to a considerable extent. For instance, Du, Bhattacharya and Sen (2010) see CSR communication is a very delicate matter, which "can have a backlash effect if stakeholders become suspicious and perceive predominantly extrinsic motives in companies' social initiatives" (p. 17). Thus, while green marketing can increase the positive correlation between social and financial performance, the green marketing policies must be part of an integrated structure of the company (Ongkrutraksa, 2007). That is, according to Ongkrutraksa, green marketers should give information about how companies are incorporating environmental values into every aspect of the corporate processes and culture, for green marketing without environmental substance leads to the appearance or the reality of greenwashing.

The integration of CSR practices and related communication activities identifies with one of the key features of the business case of sustainability practice – CSR as strategic management (strategic CSR). This, however, raises another key concern of the underlying assumptions that presuppose the business case. Specifically, in the business case argument CSR is perceived as a source of strategies whereas many would contest such treatment and argue that CSR should be a moral case. This boils down to the question Husted and Allen (2000) have asked in their paper – *Is It Ethical to Use Ethics as Strategy*? In other words, what should be the relationship between ethics and strategy? In proposing an ethical approach to strategic management, Campbell and Kitson (2008) posit that 'ethics drive strategy' because the strategic questions of 'what is' and 'what will be' is informed by assumptions and beliefs about a deeper ethical concern – 'what should be'. Similarly, if we borrow Crane and Matten's (2004) insight and consider sustainability as a central goal for business ethics, then CSR strategies will be the means that help us achieve that goal. Following these thoughts, then, ethics and strategies are not two sets of incompatible concepts and issues. But instead, ethical concerns and moral ground is often the base and drive for the development of CSR strategies. This is perhaps why when we try to evaluate the business case, we can often find moral justification besides financial rationalizations.

In an attempt to answer the objections of ethical-based corporate strategies, Husted and Allen (2000) found validation for social strategies from both a utilitarian and a deontological perspective. Generally speaking, in a utilitarian ground of justification, social strategies have the potential to increase overall social welfare. On the other hand, the deontological concern of motivation should be used to judge the motives of the moral actors that employ such strategy (which result would vary anyway), not the strategy because it is not itself a motivation. The authors advocate for the use of social strategies as legitimate and ethical options provided that such strategies are used in ways that are consonant with the demands of ethics. In a similar vein, Key and Popkin (1998) have posited that corporations should incorporate ethics into their decision-making strategies if they want to achieve the goal of doing well by doing good. They argue that such incorporation of ethical considerations in decision-making can foster the most effective long-term and short term strategies. This is because, according to the authors, while strategic management demands effective and efficient use of corporate resources, ethics are the shelter under which moral, social, and legal issues reside. Therefore, using components of ethical analysis as a foundation for strategic decision-makings may result in the best use of corporate resources. Donaldson and Dunfee (1994), in presenting an integrative normative theory – integrative social contracts theory, argue that economic affairs, such as managerial motivation, should be incorporated as part of a contractarian process of making normative judgements.

The integrative conceptualization of the relationship between ethics-based considerations and strategic approach of CSR reflects a pluralistic and pragmatic approach in understanding the business involvement in social issues. Quoting Wicks and Freeman's (1998), as well as Margolis' (1998), Singer (2010) proposes a holistic approach in making sense of the strategy-ethics relationship that encompasses both normative and empirical aspects. Such *holistic* approach abandons a dichotomy between the business case, in looking at CSR as strategic management, and the normative case of CSR, that considers CSR as a moral and ethical issue. Presupposing a holistic viewpoint, according to Singer, is an integrative and pragmatic worldview that focuses our attention on "discovering, designing and re-inventing good ways to live with others" and that ambiguities and disputes about values are merely obstacles that can be negotiated through pragmatic solutions "whilst intelligent and productive activities continue" (p. 487).

Echoing Singer's (2010), Kurucz et al (2008) posit that a better business case has to be built on a more pluralistic, holistic and pragmatic approach in considering the place of business in society and its involvement in providing solutions for social and environmental issues. As we have discussed, the principle of market provide several rationales for justifying the business case of CSR. Namely, engaging CSR activities is financially rewarding because it can: reduce risk and costs; gain competitive advantage; enhance reputation and legitimacy; and create values for stakeholders. However, the market alone cannot give sufficient rationalization and justification for business involvement in social and environmental issues for a number of reasons. First, the market is flawed and needs to be better regulated. While our current political and socio-economical systems are not readily available for the introduction and implementation of long-term substantial mandatory regulations, industry-initiated and industry-government cooperated regulatory frameworks are often dependent on, and constrained, by the flawed market. Second, the correlation between financial performance and social or environmental performance is difficult to confirm. In other words, if businesses base their decision about whether to participate in CSR activities purely on market-based rationale, they may find such unconfirmed assumptions unjustifiable or less motivating. Finally, market-based CSR strategies are short-term since they aim at immediate financial gains and such CSR practices cannot be truly integrated into business philosophy because they are not driven or motivated by ethical and moral values.

Kurucz et al's (2008) pluralistic, holistic and pragmatic approach enables us to deal with these concerns, in that it rejects the view of the business case as an exclusively market-based proposition. While a pluralistic viewpoint acknowledges system complexity and allows for new themes and ideas to emerge, the holistic approach affords us to build integrative capacity so that we can incorporate different value systems. Then a pragmatic perspective, in focusing on problem-solving, allows the business case for CSR to develop and expand by searching answers and solutions from apparently incommensurable fields. In considering 'what motivates' business for CSR practices', therefore, such pluralistic, holistic and pragmatic approaches allow us to adjoin the business case argument with other value propositions in providing a fuller explanation of the drives behind business involvement with social and environmental issues. Thus although the business case is built on market and financial principles which are value-free, it can and should be considered with a normative case that answers moral and ethical concerns. In other words, the business case makes more sense in understanding companies' participation in CSR activities when it is combined with a normative case because financial-oriented CSR performances are often, and should be, substantiated with a normative core.

In the last two sections I have sought to address the question – *What motivates business toward sustainability practices* – from both the individuals' perspective and the organizational level. In the final part, I argue that a normative case, based on moral and ethical sensitivities, could help answer some of the concerns of the business case and together they provide a fuller explanation of business' involvement with social and environmental issues. I aim to do so by uniting the first two sections and bringing the insight of individual virtue ethics to the vision of a virtuous corporation.

Is There a Normative Case? – From Individual Ethics to Virtuous Corporations

In last section I used Kurucz et al's (2008) work to present some of the central arguments for the business case of sustainability practices. Core to Kurucz et al's framework is the highlight of various value propositions in each mode of business CSR practices. The shifts in these value propositions reflect different interpretations of the place of business in society from business-centric (only consider CSR as a trade-off), to the view of business as an integral part of the society. The place of business in society, for Robert Solomon, is the key to the consideration of ethics in the context of business. In his 'Aristotelian approach' to business, Solomon (2004) proposes that we understand the place of business in society from a virtue ethics perspective in which business is viewed as "a human institution in service to humans and not as a marvelous machine or in terms of the mysterious 'magic' of the market" (p. 1024). Using the Aristotelian concept of *Polis* (the larger community an individual belongs to), the author argues that an individual's virtue and character is embedded in, and in service to, the larger community. As a member of the larger community, therefore, business *excellence* is characterized not only by its superiority in practice, but also its role in serving larger social purposes. In other words, good business practice contributes to and helps define the character of the larger society while good social atmosphere and environment, in turn, nourishes virtuous business behavior. Thus, according to Solomon (2004), there should be no ultimate split or antagonism between business' self-interest and the greater public good. Paramount to such conceptualization is the recognition of the human features and aspects of business. For Solomon, there is a clear, yet much denied, linkage between the ethics of business and the ethics of human virtue – after all, business is a human enterprise.

Echoing Solomon, Geoff Moore's approach to business ethics also features a key emphasis on the influence of human behavior in the business world. Drawing extensively from Alasdair MacIntyre's philosophical approach to ethics, Moore's understanding of business ethics places a focus on how an individuals' virtuous conduct can bring out the human aspects of business (see: Moore 2002, 2005 & 2008). According to Moore, MacIntyre's practice-institution schema is a valid framework in understanding virtue ethics and its application to business. MacIntyre defines practice as:

> Any coherent and complex form of socially established cooperative human activity through which goods internal to that form of activity are realized in the course of trying to achieve those standards of excellence which are appropriate to, and partially

> definitive of, that form of activity, with the result that human powers to achieve excellence, and human conceptions of the ends and goods involved, are systematically extended (Maclntyre, 1985, p. 187, as cited in Moore, 2002).

Central to MacIntyre's conceptualization of practice is the concern of 'internal goods' and to achieve that one must appeal to the standards of excellence through the exercise of virtue. In MacIntyre's notion of practice, simply put, the internal goods is about one feeling good about what he or she does and that such feeling of 'good' must be based on, and derived from, the virtue and moral character of the individual. *Business as practice*, then, is the consideration of business as a form of such practice, where individuals in business should strive to realize the internal goods about doing business and achieve excellence through virtuous conducts. The sustainable enterprises we have discussed before are vivid examples of *business as practice*.

In MacIntyre's practice-institution schema, institutions are concerned with 'external goods' such as money, power and success. Institutions sustain practices by providing bearers for practices and at the same time, the internal goods of practices are always vulnerable to the competitive and corrupting power of institutions (MacIntyre, as cited in Moore, 2002). In Moore's understanding of the practice-institution schema, then, the institutions can be viewed as a collective mechanism that emphasizes the functionality of business, or, in Solomon (2004), a marvelous machine and a mysterious 'magic' of the market. The practices of business, on the other hand, focus on the process where the imperative of virtue brings out the human aspects of business through individuals' realization of their internal goods and achievement of excellence. Whereas institutions act to constrain practices, the practices of business, through the pursuit of internal goods, have the potential to 'moralize' the institutions. A moralized, virtuous corporation, in Moore's conceptualization, is one that understands the pursuit of excellence is ultimately a moral pursuit and hence seeks to encourage it. Moreover, a virtuous corporation, while it acknowledges the functions of the institutions in its pursuit of external goods, it would only do so in so far as such external goods are necessary to and support the development of the practice. For Moore (2002), "it is precisely in the interplay between the practice of business and the corporation in which it is embedded, in the interplay between internal and external goods, that exciting possibilities exist for business and for business ethics" (p. 30).

Moore's sketch of a virtuous corporation is an attempt of *humanizing* business. This is not to say that we should discuss business ethics as if business naturally has virtues. But instead, *humanizing* business is an approach of understanding business and business ethics in focusing on the individuals in business and their moral capacity as well as constraint. In *Humanizing Business: A Modern Virtue Ethics Approach*, Moore (2005) posits that the humanizing of business is a process that happens from within the business, when individuals who work in it recapture a sense of virtue and begin to exercise such virtues. In a similar vein, Hemingway (2005) has argued that in understanding issues surrounding CSR, individuals' personal morality is an important factor to consider because individuals' own socially oriented personal values can become a catalyst that inspires and fosters responsible corporate behavior. In this sense, she adds, any employee, at any level, in the organization can act as moral agent. For Moore, however, if individuals were to become such agents, or, to be part of the process that humanizes business, they must first posses the eagerness and the moral capacity to pursue internal goods and excellence in their practices. Using MacIntyre's conception of craftsmanship (a craftsman pursuits not only excellence in the product but inherently the internal goods derived from such quest), Moore (2005) argues that individuals would do well to view themselves as craftsmen and their work in business organizations as one of many of their practices. If they then "endeavor to maintain an integrity of character by exercising the virtues, gaining such internal goods as are available", then, "not only would the individuals benefit but they would, in the very act of doing all of this, play a necessary part in the humanizing of business from within" (p. 8)

While individuals' moral character in achieving excellent practice and pursuing internal goods can be seen as their moral motivation behind virtuous conduct, following the practice-institution paradigm however, individuals' pursuits of internal goods are always vulnerable to the corrupting power of institutions. In the organizational context, the corrupting power is ascribed to and centered on the characteristics of business as profit-oriented social economic entity. Under such description individuals are endorsed to pursue external goods such as money, power and fame for both themselves as well as the organization, causing them often to compromise personal integrity or have a loose interpretation of what constitutes ethical business conduct. On the other hand, just as its ability to set constraints, institutions have also the potential to nourish individual virtuous acts and promote ethical business conduct. This happens when one or more of the mechanisms safeguarding the institutions – the pursuit of external goods – can find incentives and rationales to justify and encourage the pursuit of internal goods at both individual and organizational level. These incentives and rationales, justifiable of good practice, then become the driving force behind business engagement with issues beyond the financial bottom line and the movement towards sustainable social and environmental practice. In the debate over corporate sustainability, as per the discussion in the last section, the argument for using mechanisms of the institutions as promoter for CSR practice is generically referred to as the 'business case' for sustainability.

When an organization's collective pursuit of internal goods and external goods reaches a balance, it stabilizes at a certain level of value position and practice mode. While organizations adopt different value propositions, and very often different value propositions exist in the same organization, their CSR practices are oriented by a complex systems of values and beliefs. Here we may return to van Marrewijk's (2003) conceptualization of human value systems and their transcending processes. The pursuit of external goods, then, can be viewed as a system exercising its *agency* capacities in preserving its old order and identity. On the other hand, the pursuit of internal goods can act to mobilize a system's *communion* tendencies that seek to dissolve older identity and transcend to a higher order. In the ongoing tension and interplay between *agency* and *communion*, the pursuit of internal goods and external goods constantly negotiate priorities and orders until these exercising capacities reach an internal homogeneity at a given level of complexity. According to van Marrewijk, a social value system is destabilized when the social context changes and that it can no longer produce adequate solutions to its social problems. The increasing social and political pressure placed on the corporate landscape acts as such a catalyst to demand as well as promote change in the value systems in the business world. However, for a transcending process to occur, the *communion* capacities – the pursuit of internal goods – must exhibit strong tendencies to disrupt older value systems and beliefs. Further, such transcending process can only be stabilized when the *agency* capacities – the pursuit of external goods – adapt to the newer level of complexity.

Following these thoughts, a conceptual framework can be developed which perceives the business case for sustainable development, in its pursuit of external goods, as the *agency* capacities of the corporate value systems. Then the normative case for sustainable development, in its pursuit of internal goods, can be viewed as the *communion* tendencies of the corporate value systems. Whereas the pursuit of external goods is determined by business' institutional characteristics and its reliance on the market mechanisms, the pursuit of internal goods is derived from the moral and ethical character of the individuals in business. As discussed before, the transcendence of a value system is a holarchical process whereby new systems transcend as well as include their predecessors and can often descend back to the older system if *agency* and *communion* cannot reach a balance at the newer system. That is, the transcendence of a value system is not a clear-cut but a complex and enduring process. Such progression must results from what Kurucz et al's (2008) refer to as an 'integrative capacity' where a healthy tension between *agency* and *communion*, between the business case and the normative case, is created in facilitating the move toward a higher level.

According to Smith (2003), the business and normative case of CSR relate to the distinction between enlightened self-interest and a desire to do good. Whereas the business case premises on the evaluation of financial validities of CSR practices, the normative case is based on concerns for ethics, value and morality. Garriga and Melé (2004) posit that the ethical perspective of CSR theories understands the relationship between business and society is embedded with ethical values. In CSR theorizing there is a growing tendency to constitute the business case arguments in terms of values and ethics. Kurucz et al's (2008) business case framework is one such example, where conventional business case rationales are placed in different modes of value propositions. At a more practical level as well, business CSR advocates such as Jackson and Nelson (2004), have sought to promote the integration of values into core business strategies and activities for 'delivering value with values'. Along with the increasing attention on value-based arguments, CSR studies have seen a growing popularity in the discussion of individuals' and organizational integrity. Integrity in CSR inquiries often appears in the company of discussion on value, morality and ethics. For instance, some have argued that integrity is a significant ethical standard (Brown, 2005) and that organizational integrity exists when an organization has a moral climate (Bowie, 2010). One notable feature of integrity-centered discussions has been the development of an integrity-based approach to ethics management and how such management and leadership can result in the nourishment of such moral climate and organizational integrity (Kaptein, 2003; Kennedy-Glans & Schulz, 2005; Palazzo, 2007). More forwardly, Maak (2008) has argued that 'corporate integrity' is a more fitting umbrella term, instead of CSR, in terms of capturing the 'relational wholeness' of the many subjects and areas of both research and practice regarding corporate responsibility.

The embracing of ethics and quasi-values in the management and strategy-oriented CSR forum reflects a changing social and business context. Paine (2003), in *Value shift*, asserts that we are in the midst of a fundamental value shift that is altering how companies are perceived and how they are expected to behave. In such a changing context, older corporate order and identity is no longer sufficient in providing solutions to its social problems and thus has to be dissolved and evolve into a newer system of orders and values. This is explanatory of the inadequacy of purely relying on the 'business case' argument to explain corporate involvement with social and environmental issues. In the business case justifications, the business' preserving (agency) tendency is highlighted, where the institutional pursuit of external goods is encouraged and presupposed by the mechanisms of the market. Whereas the market cannot solely incentivize business sustainability practices, due to its own flaws and deficient proof, it would be more inclined to promote short-term CSR practices for immediate benefits and that it is unlikely that these practices can be sustained. In actuality however, there are many examples of business incorporating sustainability as a company philosophy and that their CSR practices are enduring and long-term. Since the market alone cannot fully explain these practices, it is reasonable to suppose the existence of a normative case, where values and ethics weigh at the core of business sustainability decision-makings.

Value, morality and ethics are all human expressions. Thus the possibility of a normative case exists in our understanding of business as a human-based social entity, or, as Solomon (2004) has put it, a human institution in service to humans. To deny the possibility of a normative case is to deny human features and aspects of business or to say that we as humans have no say in how business is or could be run. This is simply not the case. Although business involvement with sustainability practices is still largely market-initiated and strategy-oriented, these initiatives and strategies can only be sustained and become common practice if they are anchored in, and sustained through, a moral and ethical purpose – a deep and genuine concern for the environment and the society. We can discuss the morality of business because we believe one could, and should, act virtuously in business. Moreover, we believe that as moral agents one's virtuous conduct would help foster, and in turn be sustained through, a virtuous environment. This could happen at various levels in the business, from the examples of transformational leadership where people with vision and ability uplift the moral grounds of their followers and community; to the craftsmanship paradigm where individuals in organizations humanize business with their pursuit of internal goods.

According to Arjoon (2000), the pursuit of internal goods corresponds with a state of 'being', whereas external goods correspond to a state of 'having'. It is only under the state of 'being', the author posits, that we can fulfill our true potentialities that cannot be accomplished or satisfied by a state of 'having'. Following this thought, at the core of the normative case then, is the return of the issue – how business should be – to the question of 'how people should be'. The normative case argument exhibits the transcending capacity (communion) of business, where the pursuit of internal goods finds rationales in normative narratives and intrinsic values. While the *communion* always faces the corrupting power of the institutions and the preserving energies of the *agency*, equally, the pursuit of internal goods has the capacity to constantly destruct the older value system and invoke the adapting tendency of the *agency*. When more and more agencies adapt and transcend until the system reaches a high level of 'integrative capacity' – holistic as the ideal, we stand a good chance to see our society developing a moral and ethical climate which will, in turn, nourish such transcending processes.

The 1987 Gekko was right. Our greed *had* led us to where we were, and if we allow ourselves to follow this *nature* of evolution, it would continue to lead us to the end – the fatal consequences of social and environmental exploitation. But the 2010 Gekko no longer held greed as the only 'good' thing in his life and because of that, the nature of his evolution had the potential to change. Just as Gekko is finding the need to re-evaluate his nature, the corporate arena has also been given a difficult challenge, which goes beyond business daily practices, putting existing economic structure and market ideology into question. Lies with such a challenge, however, are many exciting opportunities. In a evolving social context, where the business' 'old' place in society is no good to anyone anymore, businesses are both pressured and incentivized to promote new models of practice that suit its changing social status as well as expectations. The market, for business, is rightfully the first place to look and obviously the most reliable source of motivations. Yet accompanying the many innovative models of social enterprise and successful examples of responsible corporate practice, we notice such 'business case' being elevated by ethical and moral sensibilities, with which we begin to see a keen desire from business to redefine its place in society.

METHODOLOGY

This research started with the question: what motivates the New Zealand wine companies toward sustainability practices? Particularly, I was interested in exploring the discourses employed by the wine companies' representatives in their attempt to describe their understanding of sustainable practices and the reasons that underpin these practices. This is influenced by a broad constructivist ontological and epistemological stance in understanding 'discourse' and the material life of individuals, as well as of the organizations, embedded in it. The methodological orientation for data analysis is based on an analytical approach informed by thematic analysis.

A broad constructivist understanding of discourse

This study follows Cox's (2006) conceptualization of discourse as "[a] pattern of speaking, writing, or other symbolic action that results from multiple sources" (p. 67). The function of discourse therefore, according to Cox, is to circulate a coherent set of meanings about an important topic. For this study, the patterns of discourse are primarily derived from interviews with representatives from various wine companies in New Zealand. In using thematic analysis, I then seek to unpack some of the underlying meanings and assumptions expressed through these discourses toward generating an understanding of the motivations behind their sustainable practices.

The focus on socially constructed meanings through discourses reflects a social constructivist tradition, which has long departed from viewing language as merely a means of communication and has developed from recognizing the constitutive role of language. Discourse scholars, particularly those who are informed by Michel Foucault, essentially stress the imperative of language in meaning production and are committed to investigating the wider social and political implications of language use. In a most radical form of the social constructivist view of language then, organizations can be viewed as essentially being constituted through discourses. That is, all aspects of organisational life can be understood from analysing organizational discourses. Such a radical social constructionist position, however, has been challenged by many scholars from a critical realist viewpoint in questioning the centrality of language and the reach of linguistic investigation. Jones (2007), for example, posits that “the conscious actions of critically apprehending and responding to discourse fall well outside the scope of the orthodox linguist’s conception of what language is and how it works and, consequently, beyond the reach of linguistic methodology” (p. 366). Similarly, Reed (2000) has also critiqued the tendency of a Foucauldian discourse perspective in reducing ideologies, because it tends to marginalize political and cultural processes through which ideologies are constituted, expressed and reproduced by social practices.

Whether one adopts a realist or constructivist view of language, according to Oswick, Keenoy and Grant (2000), “our understanding of the material world is inescapably mediated by the discourse(s) we employ” (p. 1117). In viewing discourse as the instrument by which we understand the material world, we recognize the ontological status of discourse, in that discourse is constitutive insofar as it influences the way we make sense of the external world. Further, we also recognize the discursive nature of the material world, to the extent that discourse provides the possible means for us to make inquires about such a world. In fact, some scholars have made attempts to challenge the idea that a realist position necessarily contradicts a constructivist ontological stance (see, for example, Barad, 1996). In the field of international relations for example, there has been important theoretical developments and ongoing dialogue since J. Samuel Barkin (2003) published *Realist Constructivism*, where he rigorously questioned the apparent incompatibility between these two orientations in methodology, epistemology as well as ontology.

In the field of organisational discourse studies there is an increasing inclination toward abandoning the radical constructivist stance and adapting to a critical realist bent. Critical realism, in Fairclough’s (2005) view, is an ontological attitude which is moderately socially constructivist but rejects the tendency for the study of organizations to be reduced to the study of discourse. This is, in part, reflected in the growing interest in accounting for material aspects of organizational life in organizational communication and discourse studies (see, for example, Ashcraft, Kuhn & Cooren, 2009). While not denying the constitutive role of language, such a broad constructivist view refutes the thought of language as being the center of existence and that all elements of life can be analysed through discursive formation. For instance, Reed (2000) sees discourses as part of material and social constructions, which are “constrained and facilitated by the relatively stable and intransigent prosperities of the very materials and agents through which they are constituted” (p. 528). This stresses not only the view of discourse as being a part of material life, but also recognizes the limits of discourse, in that it can only function under certain social material conditions, the intentions of the agents as well as their actions.

In keeping with these arguments, I seek to explore the discourses employed by the representatives of the wine companies and understand how certain meanings and understandings of sustainability are constructed through these discourses. Further, through investigating the discourses associated with sustainable practices, I endeavor to develop an understanding of the motivations behind these practices. In studying the discourses of sustainability as well as the discourses of motivations, I unpack the social meanings as well as the ideological assumptions that both enable, and are reproduced, through these discourses. Such explorations, therefore, from a broad constructivist viewpoint, serves as a sense-making instrument for understanding the worldview and the material life embedded in the participants' discourses.

Thematic analysis

While qualitative data provide rich opportunities for analysis and theorizing, they often present researchers with a difficult task to find suitable analytical approaches to deal with this rich data. In fact, Matthew Miles (1979) has used the term 'attractive nuisance' to depict such a paradox of qualitative data. In trying to make sense of a large sample of discourses, as Fairclough (1992) notes, researchers can code these discourses in terms of topics or themes. One such analytical approach that is particularly useful in identifying topics and themes in qualitative researches is thematic analysis. According to Braun and Clarke (2006), thematic analysis offers a useful and flexible approach for analysing qualitative data because it is independent of any particular theory and, therefore, can be applied across a range of theoretical and epistemological positions. Their guidelines of thematic analysis have been widely cited in qualitative studies.

Broadly speaking, thematic analysis is a method for identifying, analyzing and reporting patterns and themes within data (Braun & Clarke, 2006). A theme, according to the authors, "captures something important about the data in relation to the research question, and represents some level of *patterned* response or meaning within the data set" (p. 82). The nature of qualitative research and the flexibility of thematic analysis determine that what counts as a theme is not rigidly a matter of occurrence frequency. In other words, the 'prevalence' of a theme can, but does not solely, depend on quantifiable measures. While often a prevalent theme would occur at a high frequency across the data set, other times it could be articulated in fewer data items but to a considerable extent. For this study, importantly, key themes are those that capture something important in relation to the overall research question and theorizing.

As mentioned before, the key purpose of this research is to understand the motivations behind the New Zealand wine companies' involvement with sustainable practices. Rather than having a pre-determined theoretical perspective and a pre-existing coding system, my approach was to allow these discourses to emerge from the data. Although no researcher can be totally independent from their own theoretical and epistemological position, the researcher can design their research process so that it serves his or her approach to the particular project. For this study, the research question was initially divided into three categories – company, industry, and governmental – in order to explore, through interviews with wine companies' representatives, how their involvement with sustainability practices were affected by internal strategy, industry influence (that of particularly the New Zealand Wine association), as well as government policy. Although the interviews were guided by this structure, the interview questions were kept to a minimum and were open, in the hope that discourses of sustainability and motivations could emerge as freely as possible. To this end, this study follows the inductive approach of thematic analysis, where the analysis and theorizing is driven by the data (Braun & Clarke, 2006).

In an effort to explore the key discourses of sustainability and motivations, this study falls into Braun and Clarke's (2006) description of latent level analysis that "goes beyond the semantic content of the data, and starts to identify or examine the *underlying* ideas, assumptions, and conceptualizations – and ideologies – that are theorized as shaping or informing the semantic content of the data" (p. 84). The outcome of the analysis and theorizing, informed by the data, therefore aims to contribute to the understanding of the discourses of the wine companies' sustainability practices and how ideological assumptions, value systems and beliefs, as well as social constraints are both embedded in, and reproduced, through these discourses.

METHOD

Sample and participants

Fifteen participants from fourteen New Zealand wine companies were recruited for this study. An email, that contained basic information of the project and about the researcher, was sent out to wine companies located in various regions in New Zealand. While regional comparison was not an objective of this project, this is in line with the general purpose of obtaining data from a range of different companies and places. Moreover, if apparent regional differences emerged from the data, this could inform or initiate further research. After some companies showed interest in participating in this study, I sent them a detailed information sheet and suggested interview schedules. Some later interviews were set up through contacts from earlier participants' references or recommendations.

Apart from one company, that had two people participating in the interview, the remaining thirteen participants were recruited from thirteen different companies. Participants comprised thirteen males and two females. Three participants were the owners of the company and the rest of the participants were all in a managerial position.

Data collection and interview design

Interview data was collected over a period of two months. All but one of the interviews were conducted face to face (with the one exception being a phone interview). Face-to-face interviews, according to Robson (2002), provide the researcher(s) with the opportunity to establish rapport with the participants and this can affect the extent to which the participants are willing to disclose information and share opinions. Further, visual cues in face-to-face interviews can assist the researcher(s) to facilitate the discussion and improve the quality of the conversation.

As mentioned earlier, interviews for this research project were semi-structured. This is because while the researcher still retains control of the direction and the topic of the conversation, semi-structured interviews allow the participant to share their opinions in detail and have the potential to provoke in-depth discussions. In accordance with Denscombe's (1998) guide for semi-structured interviews, my interview guide began with a general question about the meaning of sustainability to encourage my participants to talk about their understanding of the subject. This was then followed by three aforementioned categories: company, industry and government policy with minimum and broadly structured questions. During the interviews I was flexible in terms of the order in which the topics were discussed. More importantly, we made an effort to encourage the participants to offer more insights on the issues and elaborate points of interest in detail. The interview technique of 'probes' (a device to get participants to expand on a response, Robson, 2002) was frequently employed during the interview.

Data analysis

In line with Fairclough's (1992) suggestion, the analysis of this study focused on coding the discourses emerged in the interviews into themes, using thematic analysis. The process of data analysis generally followed Braun and Clarke's (2006) guidelines and began with a familiarizing with the data, which involves repeated reading and making notes. The second phase in Braun and Clarke's guideline is to generate initial codes. Codes, according to Boyatzis (1998, as cited in Braun & Clarke, 2006), identify a feature of the data that appears interesting to the analyst, and refer to "the most basic segment, or element, of the new data or information that can be assessed in a meaningful way regarding the phenomenon" (p. 88). For this study, I included as many initial codes as possible so that the analysis and theorizing could reach a fuller potential. This was also in accordance with the data-driven approach of the analysis, as the emerging themes would depend on the data and how they have been coded.

The next phase is basically sorting the different codes into potential themes. According to Braun and Clarke (2006), this is where the researcher starts to analyze the codes and consider how different codes combine to form an overarching theme. Not all themes discovered at this phase will become key themes because some of the candidate themes will be reviewed and refined in the next step of the analysis. Through refining the themes the researcher seeks to make clearer identification of the themes and the relationship between them. For this study, the development of the themes was also informed by a range of environmental, social and organizational discourses. Finally, the researcher needs to define and name the themes before producing the research report for the analysis.

Limitations

This study was informed by interviews with representatives from fourteen wine companies. While initial effort was made to include as many regions as possible, the study was eventuated with wine companies from four different regions. Both the sample size and the regional variables were limited considering that there are some six hundred wineries in New Zealand, spreading into ten different wine-producing regions (New Zealand Wine, 2009). Further, in some regions there were only one or two companies that participated in this study and, therefore, they should be treated as individual companies rather than regional representatives. Constraint in time and resource are the primary reasons for the limitations in the scope of this study.

Therefore, the outcome of this study should not be considered as generalizable, but from a broad constructivist viewpoint, as a sense-making vehicle for understanding the worldview and the material life embedded in the participants' discourses. As such, in examining the underlying ideas and assumptions of the participants' discourses, the key intention of this study is to make a theoretical contribution to the understanding of ethics in business CSR development, rather than to present an industry outlook.

ANALYSIS

Discourses of Sustainability

The interviews for this study have generally begun with a brief discussion on the understanding of sustainability by the participants. In addition to generating a broad context that leads into later conversations, this can also add scope to the understanding of the companies' motivations behind sustainability practices because the conceptualization of what sustainability is and what it entails necessarily influence the drives behind it. Three main discourses of sustainability occurred during the interviews. Although they highlight different focuses and emphasize various aspects, these discourses are all interrelated.

Sustainability as 'good practice'

The understanding of sustainability as 'good practice' is prevalent in the interviews, although it is elaborated to various extents. When asked 'What is your understanding of sustainability', one participant stated:

> Sustainability for us, we think it's just doing things and processes in ways that we'll be able to keep doing for year after year. They're not things that are going to degrade the soil or degrade the environment so again it's trying to take sustainable as a definition of the word and they are practices that we can sustain for year after year. So that's our main understanding so if you talk to our people in the vineyard, that's why they think they're doing it because it's a good practice and we can keep doing it, so that's in a nutshell, what I think it is. The same goes for the winery as well…

This response shows an implicit link between sustainability and practice in the participant's understanding of the notion of sustainability, where sustainability is seen as a way of "practice", a way of "processes", a way of "doing things". Here the meaning of sustainability is taken literally from the word with the repetitive emphasis on "year after year". Highlighted in such an understanding of sustainability is the importance of preserving the land and the environment so that the opportunity for later generations to "do things" is protected. Without exception, all the participants demonstrated an awareness that the practices of their companies, from vineyard (especially) to winery, has an effect on the environment, including such things as what they are spraying into the soil and the use of water. For these participants, a good way of practice is in trying to mitigate damage to the environment, although most emphasis was placed on the land. In this sense, sustainability is not only a way of practice, but also the aim of practice and the measure of 'good practice'. In the discourse of sustainability as 'good practice', the central aspect is the importance of preservation, which all the participants have stressed to different degrees. Another participant, for example, stated:

> Well sustainability is more about a means of creating your product in a way that is sustainable and isn't damaging to soil and the environment… so it's about not overdoing it and doing things in a way that is still going to be sensitive to the environment and not just wiping out everything, like for instance using pesticides that could wipe out all sorts of beneficial insects, etc.

For most participants keeping such a sensitive attitude to the environment and being aware of the impact of their production is directly linked to a concern for future development. This is underscored by one participant, who stated: "I mean my general feeling of sustainability should be that you're essentially treating the land and the plants in a way that you could do in an ongoing manner and there'd be no degradation…".

Sustainability as betterment

The second sustainability discourse is closely related to 'sustainability as good practice', in that it centers on a concern for the environment (especially the land) and for future generation. It emerges as a separate theme because it reflects a fundamentally different mentality, although only two participants elaborated on this sustainability discourse. If the emphasis of the first sustainability discourse is on preservation, in this theme the participants' focus is placed on betterment. One participant specifically expressed a concern for the understanding of sustainability as merely mitigating damages. For him, the emphasis of sustainability should be placed on "making better" rather than simply trying "not to an impact on the land" or "to keep it neutral". He further stated:

> We all can't afford to throw heaps of money at it and doing it but we do have to take small steps to do so. That's the right direction… we should work in a system that would better the land in a lot of regards… for instance there's obvious reasons why things don't grow in certain places anymore where they used to be lush. My theory is that we need to be actually leaving it better every year.

Echoing this, another participant stated:

> Our understanding of sustainability, for us it boils down to passing the winery and the vineyards and the land and everything on in a better state to future generations… so it's not just about ensuring that they are passed on but actually ensuring that they are past on in a better fashion than they were before and that's what sustainability in general means to us.

In the discourse of sustainability as betterment, the word sustainability takes on another meaning. Whereas in the previous discourse sustainability is a necessary means of practice so that the environment is maintained and persevered for later generations, in the 'betterment' discourse there is a sentiment of creating a better future for later generations so that they don't just 'keep doing things' but are able to 'do things better'. In using this discourse, the participants express a desire to not only mitigate the impacts of their production, but also seek better practices, and ways of production, that will ensure a "better state" for the future. It is also interesting to note that there is a large gap between the production scales of these two participants' companies with one being the owner of a small family-owned business and the other being the manager of a large wine company. Therefore, although it is not possible to make any generalization, it is reasonable to make the assumption that such a sentiment of the discourse actors is not necessarily associated with their company scale and background.

Sustainability as a holistic business model

Extending from the general understanding of sustainability as a good business practice, the third sustainability discourse reflects more of a systemic and strategic approach of sustainability as an internalized and holistic business model. One distinct feature of this discourse lies in its alignment with the triple bottom line business model, which emphasizes the importance of integration between financial, environmental and social performance. Seven participants, from six different companies, described their business approach to sustainability as a holistic systemic model. One participant, for example, stated:

> Sustainability for us is not just about growing fruit sustainability; it is also about sustainable business models. If you break it down there is a whole bunch of things, like vineyards, wineries, transportation, carbon, all those things, and there is social side of sustainability, there is a whole lot of issues…Our approach has been completely holistic as a company.

Similarly, another participant mentioned that for her:

> Sustainability is about a whole, it's not just about environmental issues; it's not just about treading lightly on the earth. It's actually about whole business sustainability… it is around making sure our practices both vineyard and winery practices are sustainable from an environmental perspective, but also from a social perspective. So it's a holistic thing.

While all the interviewees accentuated various perspectives of environmental sustainability, only holistic discourse actors included social performance in discussing the meaning of sustainability. However, it is important to note, that although all the holistic discourse actors mentioned the 'social side' of sustainability, only three participants provided an illustration of their understanding of social sustainability. These illustrations were brief and only in the format of general examples. Further, the scope of social issues mentioned in the discussion was narrow, encompassing only a few areas of concern including: employee health and safety issues; fair trade; illegal and unfair labour practices. One participant, as an exception, provided a detailed account of her company's actual practice toward social sustainability, which was highlighted by a health and wellbeing program, employment fairness, equity, and community involvement.

Holistic sustainability discourses offer a possible conceptualization between conventionally highlighted financial bottom line and increasingly emphasized environmental and social performance. When using the holistic discourse, all the discourse actors in this study stressed the importance of the economic performance in relation to other social expectations facing business. One participant used the word "overarching" in describing the economic sustainability. Another participant stated: "It's a holistic thing, from an environmental perspective and a social perspective and an economic perspective, I mean there needs to be, and the business has to be sustainable in order to support the sustainable things". This shows that a holistic discourse is employed to describe a business model that takes into account both environmental and social aspects as a strategic and systemic approach of sustainability. However, despite the use of the word 'holistic', the participants clearly prioritized financial performance as the fundamental business objective and the condition upon which environmental and social performance may be achieved.

In *Discourses of Sustainability in Today's Public Sphere*, Peterson and Norton (2007) note that no concept associated with environmental protection has enjoyed more widespread public legitimacy than the notion of 'sustainable development'. Sustainable development was defined in 1987 by the World Commission on Environment and Development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (p. 1). Consistent with this speculation, the participants of this study generally relate the meaning of sustainability to that of sustainable development. This demonstrates that for these participants, sustainability should be understood in terms of actual business practices, whether in a sense of being a good steward to the land, or developing a systemic sustainability business model. The participants take the word 'sustainable' literally as ensuring the ability of 'future generations to meet their own needs'. The word 'development' is taken for granted as usual business practices and processes. In other words, there is no question that 'development' is at the core of business practices and sustainability, to various extents for different participants, is a necessary way, strategy and measurement of these practices.

The greatest strength, as well as the most damning weakness of such a definition of sustainable development, however, according to Peterson and Norton (2007), lies in its ambiguity. While the linkage between 'sustainable' and 'development' realizes a wide range of opportunities of reconciling environmental and economic conflicts, it has also created a huge space for interpretations of what should be regarded as sustainable practice. In embracing such a freedom of defining sustainable practice in one's own terms, as Ganesh (2007) puts it, a diversity of practices – from agriculture to family planning – find themselves rubbing shoulders under the sustainable development umbrella. This is reflected in the interviews when a variety of practices were identified by various participants as what they consider sustainable, from participating in the Carbon Zero program to exploring organic alternatives. The choice of sustainability programs and credentials or actual style of practices is often constrained by a number of factors, such as company history, context, resources, etc. More saliently is that any company has to make these decisions in the frame of a market rationale, where economic and financial factors have to be prioritized. However, while the market rationale is paramount, just as significant is that the meaning of sustainability is produced by the participants in ways that demonstrate a genuine concern for the land and for passing it on without degradation or even in better states. Such a genuine concern can become an important factor to initiate and sustain business' strategies and practices towards sustainability, even though it has to be against the backdrop of the market force.

Discourses of Motivation – The Centrality of the Market Discourse

The discourses of motivation that emerged in this study are closely associated with the business case argument. As per the previous discussion, the business case argument advocates for business self-initiatives toward sustainability practices and is based on the premise that there are financial incentives for social and environmental performance (Carroll & Shabana, 2010). This is reflected in the participants' discussion of the driving forces behind their companies' engagement with CSR activities, where the market discourse takes the central stage in prioritizing economic factors and financial incentives in the decision-making toward sustainability practices. This section focuses on three main discourses of motivation that have been identified as key themes under the business case umbrella: risk and cost-based assessments; competitive advantage incentives; and reputation and legitimacy-related considerations.

Risk and cost-based motivation

The concern for costs and risks are essentially economic concerns where environmental and social issues are considered as tradeoffs for ensuring financial performance (Kurucz et al, 2008). Seven of the wine companies' representatives mentioned 'cost' as one of the factors driving their sustainability practices. In general, these participants recognize that sustainability is "a sensible way of doing things" because it can "save money and costs". One participant, for example, stated: "...it's just smart business if your insulation is there, because you are saving energy and water; you are saving money; and at the end of it that's a huge driver". Another participant elaborated further on the benefits of cost-saving because of sustainability practices:

> Sustainability has without question saved us a lot of natural resource in terms of water, saved us a lot of power in terms of getting that water out of the ground, you know going back 14 years ago we were on a spray diary, you know and that was no good. So what we have done we have worked on spray application rates, all those sorts of things, so fundamental changes, so we are saving on our sprays, we are saving our power in just the vineyard alone.

In such a cost-based assessment, the principle assumption is that, as one of the participants stated, "it's cost effective to be sustainable". However, for these participants and the companies they represent, the benefit of sustainability practices in terms of 'saving costs' remains an assumption. There lacks long-term cost-benefit analysis for them to produce formative statements regarding whether they are saving overall costs, especially when weighed against the costs of implementing new systems and obtaining sustainability accreditations. With the exception of the passage cited above, none of the participants went into details to discuss the benefit of their sustainability practices in terms of cost-saving. Therefore, although 'saving costs' was one of the factors behind some of these companies' sustainable initiatives, it could not have been the sole motivation for their sustainability practices.

There is also a general recognition of the changing social context and the pressure as well as expectations placed on business to behave in more environmentally and socially sensitive ways. For many participants, such a changing social context and expectation can be conceptualized as a potential risk for business if they refuse to seek a sustainable path. One participant, for instance, stated:

> I think there is greater realization now that if you don't do it you are history, you don't change what you are doing, if you don't keep getting better you won't be in business… It is not only the wine industry, environmental sensitivity in general is becoming very important and it will just become a given, the standard.

In this passage the participant associates sustainability practices with business' survivability and thus emphasizes the risk of not engaging these practices. While many of the participants demonstrated such sensitivity to a changing social context and the inherent environmental and social pressure, one participant illustrated how her company based the implementation of a social sustainability program entirely on the assessment of risk:

> We base the whole system [a social program the company has implemented] on risk, like what's the risk to health and safety environment, quality food safety, etc. It's taken a long time, and we're still struggling in certain areas, there's been a huge corporal change but there's been a lot of work and a lot of hand holding. But we can't afford not to, we have to lead by example. I mean it's not necessarily productive time but it may save that productive time further down the road. We are a big business, if we seriously harm someone, Department of Labour, people will string big business out to dry, because we can make an example – "We are big and we don't care". But we've got all those passionate people that love wine making, the vineyard managers are so passionate about what they do in the vineyards, just because we are a big

> business, it doesn't mean we lose that, and that's why we have good culture because we work with fantastic people in the vineyards and the wineries, it's really great.

In this statement the discourse of 'risk' is highlighted as the primary motivation for implementing this social program. Here the manager's motivation to promote a social sustainability program is derived from a concern for certain risks that may present potential threats to the viability of the organization. The participant emphasized that although the implementation of such a program is not necessarily a productive use of time now but it may save the projective time in the future. This expresses a 'risk management' mentality in the business case argument where managers hope to minimize the incidence of malfeasance and its damaging consequences (Paine, 2003) and serves business' economic interest by mitigating potential threats through social or environmental performance (Kurucz et al, 2008). In addition to a clear economic rationale ("may save that productive time further down the road"), the participant also saw the potential risks as a threat to good company culture and practices and therefore, for her, mitigating such a threat can function to safeguard a good business culture.

In general cost and risk-based motivation did not emerge as a prevalent discourse in this study. While the rationale of cost-saving is mostly based on a common sense assumption, the notion of 'risk' has been conceptualized as an implicit social condition to which business has to apply itself to with sustainability initiatives. Therefore, although cost and risk-based assessments are seen as an important factor that motivates CSR practices, it has not been identified by the participants as a major drive behind these practices.

Competitive advantage as motivation

The business case argument of 'competitive advantage' is based on the premise that through strategically implemented CSR practices, companies can gain competitive advantage by setting themselves apart from other industry rivals (Kurucz et al, 2008). The participants in this study generally acknowledge the importance of having a "point of difference" and admit that sustainability practices can offer such a competitive advantage. For instance, when asked about their sustainable initiatives, one participant stated: "this is more about driving differentiation and competitive advantage in the marketplace". Another participant concluded that "it is hugely important to have a point of difference in the market place".

However, most of the participants in this study reveal that at the moment there is very little pressure coming from the consumers in driving toward sustainability practices, especially from the New Zealand domestic market. One participant's statement reflects a general attitude among the interviewees: "sustainability is a very poorly understood concept, consumers don't understand it". Another participant noted:

> Well in the Europe market when it comes to sustainability I think the average consumer understands a bit more but even in the US, there's been a few studies there and the general public in the US they don't really understand what sustainable practices means. So we believe at the moment the consumers do not understand sustainability enough and what it means.

Whereas there is basic recognition of certain level of consumer awareness from the European market, the participants generally agree that there has been very little pressure from the domestic consumers. One of the local wine producers claimed: "I don't get any kind of pressure from consumers about that [sustainability practices]". Another relatively small scaled wine company representative stated:

> I don't know about overseas, but for us, to be honest, I think in the local market it really comes down to price of the wine, and for some the quality… but no one seems really interested in the sustainable side of the thing.

Another participant, whose company caters both overseas and domestic markets, concurs: "we haven't felt any pressure from the domestic market, there's really low consumer awareness about sustainability here". Even in the overseas markets, where consumers supposedly have higher awareness, it seems that there lacks understanding of the specific sustainability practices of New Zealand wine production. In fact, the most common concern toward the Sustainable Winegrowing New Zealand (SWNZ) program, across most of the interviews, is that consumers, domestic or elsewhere, have little knowledge of what the program entails and what it means for a wine to have a SWNZ logo on the bottle. When asked whether it gives an advantage to have SWNZ credential, one participant responded:

> Hard to say, there's been a lot of questions about the whole SWNZ program and how well it is promoted and how well other people see it, so other people come in to the shop and sure, they see the little logo but you know, I think probably 99% of them

don't know what that means and don't know the sorts of things we have to go through to get that, their eyes would glaze over, they just don't have any idea.

Several other participants also noted that even for consumers who have high sustainability awareness, they will need to know a lot of the specifics about the credential criteria to really factor it in their purchase decisions. Things are further complicated when there are so many different programs and auditing bodies internationally so that it is unrealistic to expect any consumer to make a well-informed decision. As one of the participants put: "Yeah, sure if we are sending export wines with a SWNZ logo on it, people will think, well that's nice, but where does it fit with the country they're in, and their programs? We can't tell them". To this end, it is a general acknowledgement across the participants that there has not been a lot of consumer pressure in driving sustainability practices, especially from the domestic market.

Therefore, most participants see their companies' sustainability initiatives as proactive rather than being reactive to consumer pressure. In other words, although it is not at present a common practice for buyers, especially domestic ones, to require certain sustainability standards from the suppliers, they anticipate such a market demand in the future. Therefore, many of the participants believe that it is in their company's advantage to engage in sustainability practice so that they can remain competitive in the market down the line. One participant stated:

> I don't think it [sustainability practice] would add value at the moment… [If we don't have any sustainability practice], it's certainly not a barrier to trade at the moment… but it may because a barrier in the future. In particular, you've got the organizations like Tesco and Marks & Spencer, they are saying all those things they'd be doing, they are not necessarily doing them yet but if they're actually saying them, then they probably will get around to doing them in a number of years time and that may well become barriers to trade and that's, I guess that again is one of our motivations of doing it, we don't want to have those barriers in front of us.

In this sense, the company's sustainability practices can be seen as a proactive strategy in anticipating the changing dynamic in the marketplace demand. Another participant similarly pointed out:

> I think it will come to a point when consumers will be more aware about it [sustainability]. I think that's a few years away. I think what will come first is not the

> consumers but our customers, like big overseas supermarkets, big buyers, they will be the ones driving it, and the consumers will slide on board and get stricter.

When asked whether he thinks that there will be increasing consumer pressure from the domestic market in driving sustainability practices, another participant stated:

> Yeah I think so, just looking at some of the school kids that come in now, they have a good knowledge on sustainability and they're teaching it at schools, and sustainability can be a career choice at universities, people who want to take up roles, there's positions in companies now like sustainability manager, there's young people now being trained and have a lot of more in-depth knowledge.

Like this participant, many of the interviewees believe that people will become more aware of sustainability, especially when it comes to making purchase decisions. Some of the participants are confident that "the whole sustainability theme will be consumer driven". One of the participants stated:

> At the moment it [sustainability] is driven by companies like us trying to get the message out there as time goes on it will be reversed and be a consumer decision because its consumers purchasing products from companies that have a strong sustainability focus and that's going to encourage all companies.

Such an awareness of the consumer-driven market potential becomes a key motivation for many of the participants' companies' engagement with sustainability practices so that they can "stay in tuned" when the market dynamic changes. On the other hand, although most of the participants see their companies' sustainability practices as a proactive market move, many admit that they have been using their sustainability credentials as a selling point, especially for some of the overseas bulk buyers. One participant informed that as a sustainability manager, he would always be in the meetings with overseas buyers because 'sustainability' is a main part of the sale to their customer. This indicates that for these companies, although sustainability is not seen as consumer-driven yet, they still stand to gain competitive advantage because they can use it as a selling point. This is especially true when some of the international buyers do demand to know about the production process. One participant, for example, stated:

> Some of our UK buyers have sent us things they want us to fill out and they want to know, our packaging, like do we use recycled cardboard for our cardboard boxes, do

> we recycle the plastic that the bottles come wrapped in, do we use recycled glass for our glass bottles, and does the cork we use come from a forest that is being sustainably managed…

The discourse of market is central in the participants' discussion of gaining competitive advantages through sustainability-related practices and credentials. In this regard the participants', and their companies', approaches generally correspond with a resource-based-view theory where sustainability practices are perceived as a potential firm resource or capability which can then translate into competitive advantage. Although many of the participants do not see an immediate benefit from their CSR practices, they are confident that such an advantage will be delivered when the consumer awareness rises and the market is more in tuned with a sustainability milieu. On the overseas market outlet, some of the participating companies have already seen benefits of their sustainability practices and credentials, which, in turn, becomes a further motivation for engaging and improving such practices. In short, gaining competitive advantage is a main motivation behind sustainability practices for many of the participating companies because of the perceived potential of maintaining and gaining market access.

Reputation and legitimacy as motivation

A company's concern for its reputation and legitimacy, in Kurucz et al's (2008) value proposition, reflects its desire to align with political and social norms and expectations. Such a shift in value proposition influences, and is dependent on, the company's definition and interpretation of its place in the society. Whereas in the previous two discourses of motivation the company's self-interest takes absolute priority, in reputation and legitimacy-related considerations a company's decisions toward sustainability practices takes into account its social position and status. In other words, while market-based assessments are still paramount, companies seek to gain social approval with their CSR practices because they believe that such a sustainability initiative is seen as desirable and appropriate by either current, or emerging, social standards and beliefs.

While in risk-based assessments and 'competitive advantage' related considerations some participants have also demonstrated an awareness of a changing social context and expectations, such awareness is translated into, and presupposed by, different value propositions and motivations. In risk-based assessment, for example, the evolving social context becomes a motivation for CSR practices because the changing social expectations of business are seen as threats to the company's economic interests or even future survivability. In considering the 'competitive advantage' incentive, on the other hand, companies view the changing social context and expectations as a business prospect and, therefore, CSR practices are strategically turned into a company's resource or capability which can, or will, be translated into competitive advantage. In the discussion regarding reputation and legitimacy, however, some of the participants see such a changing social context and expectations as an opportunity to develop a different kind of company philosophy. For these participants it is important to consider the relationship between their companies and the social environment in which they operate. In such an emphasis on social relationships, ethical and moral discourses begin to emerge to supplement, or challenge, the centrality of the market-based discourses. One participant, for example, stated:

> Well you know, we are selling a beverage and we are saying sustainability is our fundamental philosophy, from the vineyards to everything we are doing, we are known for this philosophy, so we've got to be true to it… there is an opportunity to take care of the vineyards, and the growers, and do things more sustainably… it's not greenwashing, it is just really something emotive, that we care about the environment, we care about the way we do things and then we want to do it sustainably and inter-generational because that for us is really important.

In this passage the participant stresses the importance of maintaining the company's established reputation and legitimacy – known for sustainability philosophy – by using such a philosophy to guide every aspect of its practices ('got to be true to it'). Also important is that the participant views the company's sustainability initiative as an 'opportunity' to 'take care of the vineyards and the growers'. Here the participant used the word 'emotive' to show that there is a sentimental value in committing to a sustainability philosophy, which is premised on a basic and fundamental 'care' for the environment. Sustainability practices, therefore, are seen as an ethical and legitimate way of doing business and enhancing the company's reputation. Another participant, in discussing sustainability initiatives, used the phrase "ethical production" to underscore the importance of their CSR practice from an ethical viewpoint: "it [sustainability practice] is best practice, but also it's an ethical production, you know, we do it because we care about the land, and it gives us legitimacy".

Like these participants, some other interviewees have demonstrated similar sentiments in illustrating their sustainability motivations. This often ties back to a genuine concern for the environment, which, as discussed before, has been revealed in many participants' understanding of the meaning of sustainability. One participant, for instance, stated:

> The main advantage of it [sustainability practice], for us working in the vineyard, is just you know reducing numbers of fungicides and insecticides, you know, and you've got to inform the neighbors of what's happening in your vineyard… and it's just about making the environment better.

Similarly, another participant has associated the care for environment with sustainability practices:

> For me I guess I appreciate that it could be of marketing worth, but for me it's more about just having a nice balance in the vineyard, that means that year in year out, you're going to have all the right things happening and all the right stuff in the soil and all the right insects… and you are just doing the right things.

For this participant, sustainability practices are the necessary means for taking care of the land and for 'doing the right things'. This echoes many of the participants' understanding of sustainability as essentially a way, an aim, and a measurement for business practices that are rooted in a deep and genuine concern for the environment. Such a sentiment of 'doing the right thing' is not only best business practice, but also, for many participants, a necessary approach in maintain and enhancing their company's reputation and identity.

Interestingly, many of the participants associate the identity of their companies, products and even the wine industry as a whole, closely with the 'clean' and 'green' image and reputation of New Zealand. One participant, for example, stated:

> I think it's absolutely important to have a point of difference, I went to a seminar about six months ago and they'd surveyed in the US and over there in their heads New Zealand is clean and green and the animals are all outside on the green grass and we frolic in the meadows at lunch time, it brings people to New Zealand, and it's good for the industry…

Here the national identity and reputation – the clean and green image – is seen as providing an important point of difference for the wine industry. Across the interviews many of the participants shared such an alignment, between the industry's identity and the national image. As one of them puts: "it is about differentiation, it is about saying this product comes from

New Zealand, comes from XX [region's name], comes from XX [company's name]". Another participant noted:

> They tried to push the food miles thing in the UK, but I don't think it hurt us, because we have a unique brand that comes from New Zealand, and when people think of New Zealand, that uniqueness comes from the clean green image… people will pay the premium, they will pay that twelve pound, because it's from New Zealand.

Along with linking the company or industry's self identity with the national reputation, some participants have also extended their care for the environment from localized awareness (vineyard and winery-centered) to a general concern of the nation's resources as a whole:

> People have an overall clean and green image of New Zealand, and the industry's image is quite that way as well, the industry has worked pretty hard to create and establish a clean and green image. We understand that we are growing grapes on some pretty fragile soils, so we have to look after those. Those soils at the end of the day are our biggest asset, and our climate and our cleaner air and our sunshine. That's what gives us the biggest advantage over everybody else in the world in the wine industry, and so we have to maintain that… we have to look after our biggest resource.

Although the participants of this study generally celebrate being able to identify with the nation's clean and green image, among them there is a common awareness of the importance of ethical communication about their actual sustainability initiatives and practices with the consumers. One participant, for instance, stated:

> You've got to be careful about devices that you put on bottles because they can be construed as green washing and those sorts of things, and if you don't deliver your promise you do lose credibility so you have to be quite mindful of that.

Similarly, many other participants are aware of the danger of green washing and recognize the impotence of ethical communication of the company's product and practices. In some of the participants' words, "you can't promote beyond what you are actually doing"; "you can promote sustainability as long as it reflects reality"; "it [sustainability promotion] needs to stand up to scrutiny". In these participants view, it is justifiable to promote a company's sustainability programs or initiatives, as long as they are backed up by actual practices:

> We are calling PR companies to come up with a story and the right words, language to sell it to the overseas markets for our export. But we have to get in place. You can't talk the talk without walking the walk. If we start to tell our sustainability story and we can't back it up with facts and figures and actions then we are going to struggle, we will get found out. So we have to get all the actions in place. We've got to be confident with the stories we are telling, and they've got to be true.

In reputation and legitimacy-based discourses, the companies' sustainability initiatives are still driven largely by a market incentive, in that these initiatives can enhance the company's image and reputation which are seen as a market advantage. However, in considering the company's reputation and legitimacy issues, some participants have demonstrated strong sensitivities to the changing social norms and expectations. Reflective of these sensitivities is the emergence of the moral and ethical discourses of motivation behind sustainability practices, whether it is the genuine concern for the environment, or the pursuit of ethical communication. Such moral and ethical-based discourses are indicative of the participants', and their companies', desire to align with the changing social values and beliefs and, meanwhile, function to supplement as well as challenge the centrality of the market discourse.

Discourses of Motivation – Regulation as Motivation

In responding to the changing social and political norms, many have sought to promote business social and environmental performance through regulatory frameworks. The participants of this study point out that for the wine industry, the main regulatory initiatives are driven by the industry association – The New Zealand Winegrowers – through its SWNZ program. On the other hand, the participants note that there are not many government-led regulatory frameworks in the wine industry, and nor would they welcome such an initiative. Both the strong industry self-initiative and the weak government regulation reflect that in the New Zealand business landscape, the free market fundamentals and the neoliberal political ideology remains central. As such the market discourse prevailed in the participants' discussion regarding regulatory initiatives and frameworks, where industry voluntarism and self-initiatives override government intervention.

Government regulation as motivation

The participants of this study commonly express a desire for minimum government intervention in the business sphere. When asked what the government could do in terms of promoting sustainable development, some participants responded that they have never even thought about it. This is indicative of the low expectations of a government's role in regulating and shaping business practices. Many of the participants acknowledge that the wine sector in New Zealand has always been "self-sustaining and self-policing". One participant, for instance, stated: "I think in New Zealand the industry drives itself more than the government stepping in, and I think that's the way it has always been". For many participants, there is a strong rationale behind industry self-regulation because "the industry understands the parameters, the challenges and the variations". The government on the other hand, suggested by some participants, could not, and should not, regulate business activities because they are either incapable or unsuitable for making effective business policies. One participant, in particular, noted:

> Well the government is generally a few months or years behind the industry, the industry is kind of innovative, I would think because we can work faster and are smaller than they are, and the government can't do anything without having to go through their procedures of sub-committees and that sort of stuff. In terms of sustainability, we were years ahead, before it was even mentioned by the government.

In viewing the government as incompetent and inadequate, many of the participants resonate with minimal government interference and prefer that the industry takes the lead in initiating and implementing regulatory frameworks:

> I prefer to be self-regulated, I think if the industry has sufficient guidelines they will take responsibility for their own activity. Like the New Zealand Winegrowers, you know, the only thing we are legislated for is a producer levy, but for the rest all these other initiatives have been taken by the industry itself… the government just have the ETS [Emission Trading Scheme].

Although the participants of this study commonly advocated for self-regulation, they identified a few government functions that are considered appropriate in terms of promoting sustainability practices. The most desirable role for the government, agreed by many participants, is to provide funding for sustainability initiatives and projects. As one participant put it: "I certainly don't think there is a need for regulation, but certainly a need for more funding in that voluntary space". This line of argument continues to emphasize the importance and necessity of industry self-regulation but views government funding as a useful supplement for industry voluntary initiatives. One participant, for instance, noted:

> I think the Winegrowers are doing a good job, I don't think they need the help from the government, it's not necessary, if the government wants to help, they could perhaps help financing it, you know, like more funding and stuff like that.

Many participants, when expressing an interest and desire for government funding, stress that this is the ONLY area where the government may be of assistance. This again is reflective of the principal position that the government is not welcomed to have an input in regulating business activities because "they wouldn't know what to do" and "the industry know the best" and therefore should regulate itself. One participant, for example, stated:

> It [government's involvement] wouldn't be a good idea unless of course they want to give funding, that would be the only area. They wouldn't know what it could be spent on but they could give the money and the industry would know what to do with it, you know, they'd know where to spend to improve the system or make it easier for growers to become involved.

Evidently, the only form identified by the participants in terms of collaborations between the industry and the government toward promoting sustainability practices is through various funding projects facilitated by New Zealand Trade and Enterprise. According to the participants of this study, most of these projects focus on market development, although some is used to fund sustainability-based research.

While the majority of the interviewees see funding as the only channel of government support, a few participants argue for a more substantial role for the government in terms of promoting business sustainability practices. These participants posit that the government should seek to incentivize business sustainability initiatives and practices through means of tax relief or even some form of financial penalties. One participant, for instance, stated:

> They [the government] can incentivize people to become more environmentally sustainable. I think that probably the best thing to do would be for the government to offer some sort of incentive for people who reach certain accreditations... or, you know, make them can't afford not to, makes it expensive not to, like you could still do business if you were perhaps slightly less sustainable environmentally than everyone else but that comes at a cost.

In a similar vein, another participant argued that the government, both central and local, should assume more responsibilities in governing and regulating business activities. For this participant, in order to achieve more effective regulation, the government should seek to use financial penalties as a necessary means of regulatory control:

> There definitely needs to be more legislation, more policing from the government, and the local council needs to monitor the legislation, because a lot of damages come at the costs to the rate payer and the general public to clean it up. Those costs have got to somehow go back to the person who created it, because what's the incentive to stop, if there's no punishment or it doesn't hit their pocket, there's no incentive to stop.

Tax relief and financial penalties, unlike funding projects, are more substantial government attempts in regulating business behavior. The rationale for a more significant government role in promoting sustainable development, for these participants, ties closely with the expectation for the government to safeguard the country's clean and green image and identity. As discussed above, the country's clean and green image is viewed by many participants as an invaluable asset that gives the whole industry a point of difference in the international market place. Therefore, as some of the participants point out, it is pivotal for the government to protect the national image and make sure that the industries, across the sectors, can stand up to scrutiny. As one participant stated:

> We all benefit from it [New Zealand's clean, green image], so we need to back it up with an overarching kind of policy statements, and the government needs to make sure that the industries are actually up to the standard, it's all about protecting that image, once you've lost it, you've kind of lost it.

Notwithstanding the operating principles of the free market, this line of thought recognizes the importance of government policies in regulating business activities. One participant, in particular, articulated the dilemma between the necessity for government regulation and the free market ideology:

> The National Party wants free market, but you have to lead the market somewhere because if you don't, if you just let people operate to make money you are not always looking after the best interests of the country... so it is a tough one because if you want to operate in the free market and still be able to control, I guess you'd have to use the market to control, like you can incentivize people by showing them that there is a market for it, that's perhaps how you can change behavior.

In this passage, while recognizing the criticality of the government's role in national sustainability policy initiative and implementation, the participant acknowledges the limits of the current social and political structure set by the market constraints. Therefore, for this participant, the answers still have to be derived from the free market frame, where only market-based mechanisms have the potential to motivate behavioral change toward the sustainability agenda.

The discourse of market is prevalent in the participants' discussion regarding government regulation, where the government is not expected to intervene with business functions and activities. While the participants generally prefer industry self-policing, they see government funding as a helpful, and desirable, supplement for promoting sustainability practices. An exceptional few participants have higher expectations for the government in terms of protecting the national image through initiating and implementing sustainability policies and regulations. However, both the rationale (protecting international competitive advantage) and the method (market-based mechanisms) for a more substantive government role fall back into economic principles and the market ideology.

Industry-regulation as motivation

As Wotruba (1997) notes, self-regulation of an industry is typically initiated by industry organizations such as a trade association. Through industry associations and their sponsored programs, industries often establish their own regulatory mechanisms to promote sustainability agendas and practices within the industry (Campbell, 2006). The New Zealand Winegrowers and its SWNZ program is one such example of industry's self-regulatory initiative. The SWNZ program was established in 1995 and then commercially introduced in 1997 (New Zealand Wine, 2010a). According to Sinha and Akoorie (2010), more than 60% of the total vineyard area is managed under the SWNZ program which accounts for around 75% of the wine production. In 2007, following the 2002 introduction of winery standards, New Zealand Winegrowers announced a Sustainability Policy that aimed at having all New Zealand wines being produced under independently audited environmental programs by 2012. In an effort to promote voluntary adoption of this policy, New Zealand Winegrowers has made compliance a prerequisite for participation in events they organize, including wine awards and competitions (New Zealand Wine, 2010b).

The participants of this study generally revealed a positive attitude toward the industry's proactive position in promoting sustainability practices through self-regulatory initiatives. One participant, for instance, commented:

> The New Zealand Winegrowers have been, I think, extremely proactive in terms of putting together a sustainability program which is fast getting to 100%. In essence this means we've got fundamental principles of sustainability, and vineyards will be accredited, and be audited independently and will retain that accreditation. Now they've pushed to the point where if you are not sustainably credited you can't for example enter wines in the New Zealand wine awards, that's a huge drive.

Another participant, in recognizing the positive impact of the industry-driven sustainability initiatives, commented:

> A lot of the drives [for sustainability practices] are coming from New Zealand Winegrowers, so yeah everyone has to be on board in order to enter their wine in certain shows or participate in marketing programs and it's a market driver, so they're kind of forcing, I don't know a better word, but forcing the companies and the whole industry to have a sustainability policy. I think it's really good because it provides the support and framework for people and make people see the market value in it…

In this passage the participant viewed the New Zealand Winegrowers as the main drive behind many companies' sustainability practices (here she was reflecting on the wine industry as a whole, rather than just her company). The participant used the word 'force' in describing the NZ Winegrowers' approach of using competitions and events as instrument of control in trying to achieve a high compliancy rate with the SWNZ program. This indicates a high amount of pressure being placed, by the industry association, on individual companies to 'get on board'. The 'market value' is being recognized by the participant as the key rationale being highlighted by the New Zealand Winegrowers in promoting the sustainability initiatives. Many of the participants of this study, especially those who export, acknowledge the importance of an industry-level commitment to sustainability practice because it has the potential to provide market access points. This is closely related to the alignment between individual companies as well as the industry's reputation and the national identity, as discussed in the last section, where the national clean and green image is translated into market advantage. One participant for instance, when asked why he thought the industry association is having such a strong push on its sustainability program, responded:

> I think if everyone does it within the industry, then it's a big point of difference between us and other countries. If we really can get everyone on board, if it is the whole country, and we can honestly put our hands up and say the whole country is carrying out these [sustainability] practices and we are doing this as a whole group, then that is a tangible point of difference.

While the potential of such a market advantage is apparent for exporters, it may not be as appealing for small wine producers who primarily focus on domestic market. Three of the fourteen companies that participated in this study are small-scale, individual or family-owned local wine producers. All the representatives from these three companies are either the owner of one of the owners of their company. Common across these three participants is the recognition that they are not the primary beneficiaries of the SWNZ program as non-exporters. One of these participants, for example, stated:

> I mean if you're a big player you have to be registered because you can't export or it's difficult to be involved in any of the New Zealand Winegrowers initiatives. But somebody like myself doesn't get much from the New Zealand Winegrowers anyway. We don't need to access the export options or the big marketing picture. That doesn't really affect me very much so there's no real compulsion for me to be involved.

As discussed in the last section, there is a general conception across all the participants of this study of the lack of consumer awareness regarding sustainability in the New Zealand domestic market. Given that these domestic winemakers do not see a potential for market advantage, adding to the costs and time expenditure involved with membership and accreditation, none of the small producers of this study has chosen to be part of the SWNZ program. One participant, for instance, stated:

> For us, the biggest concern [of the SWNZ program] is the fees and the compliance costs, and it's obviously nice to have some sort of label saying you are part of some sustainable program, but it doesn't really mean a lot to us, the XX [name of the region] people don't really mind…

Another participant added:

> To get the industry consensus is basically two days full time to go through the audit process and not including the time to get ready for it. As pretty much an owner operator, I do most of the things here myself. I don't have two days really, if I'm not

> busy in the vineyard I need to be out selling my wine, so that's an indirect cost, not only the charge to do it directly but it adds up to a lot of money I'm losing on.

These disincentives, the lack of market advantage as well as extra costs in money and time, become the main reasons for these small wine companies' nonparticipation of the SWNZ program. However, for all of the three local wine producers in this study, not being part of the industry program is not the same thing as unsustainable practice. As discussed before, cost-saving has been identified by some participants as an important factor that drives sustainability practices. This is the case for all the small producers that participated in this study, who viewed sustainability practices as fundamentally a sensible and cost-effective way of doing things. In addition to such a cost-saving incentive, all three participants also expressed their concern and care for the environment as a prerequisite for their sustainability practices. In fact, one of these participants used the discourse of 'sustainability as betterment' in discussing his understanding of sustainability, where he argued that the emphasis of sustainability should be placed on 'making better'. In a similar vein, another small wine producer stated:

> You've got to know what you are doing, what you are spraying on the soil, what kind of impacts you are having, you know, then you've got to inform the neighbors of what's happening in your vineyard… we all have to keep trying to do better on the land, take care of the land… unless you are going to be a heartless person to the environment, I think most people are trying to do the right things.

Therefore, although there are a number of reasons that prevent the small producers in this study from participating in the SWNZ program, they demonstrate a general commitment to sustainability as a guiding principle for their practices. On the other hand, some of the exporting producers have also identified a range of issues as the main barriers of the SWNZ program in becoming a more effective motivator for sustainability practices. One interesting example is the disinterest expressed by an exporting company representative in participating the New Zealand Winegrowers' competitions. Despite being a member of the industry association, the participant noted, the company was more motivated to become part of the SWNZ for its marketing programs rather than obtaining awards. This, according to the interviewee, was primarily due to a cynicism that the procedures and criteria involved in these competitions may not necessarily facilitate a fair judgment on the quality of the wine:

> We've always felt that our wines were designed to be sellable prospects that should taste good on the belief they should get better with age, and the kind of wine that wins a gold medal in a competition generally needs to be peaking as most judges are looking for taste on the day, and so you quite often might end up with these gold medal wines that you can't put in your cellar because they've peaked…

For this participant and his company, therefore, wine awards are not perceived as a marketing instrument. Instead, as the participant revealed, their promotion has relied heavily on reviews from wine writers who would taste and judge a wine in isolation.

More substantially, many of the SWNZ members have revealed that the program has not been communicated to the public and in the marketplace, domestic as well as international, to a satisfactory extent. As discussed in the last section, the majority of the participants for this study agree that there is currently very little consumer pressure in driving sustainability practices, especially from the domestic marketplace. Adding to that, it is admittedly difficult for a consumer to make an informative purchasing decision with so many different accrediting forms and bodies. The insufficient communication of the SWNZ logo and the program itself, therefore, has been identified by many participants as a main barrier in raising consumer awareness and understanding of the wine companies' sustainability initiatives and practices. Consequently, this impinges on the market effectiveness of the SWNZ program. One participant, in fact, has considered promoting the program as the New Zealand Winegrowers biggest responsibility, because, in her words: "that's where the most value comes from".

> More promotion, promote the scheme, let people know what the scheme [SWNZ program] is all about, why we do it and the benefits to them. We have the logo on the bottle, but unless we are telling the story behind the sign, it's meaningless… We do think we're doing the right things in terms of things like lower numbers of sprays and less driving up and down with the tractor and those kinds of things, so we have got a good story to tell, but it's not being told, that's the biggest frustration.

While the lack of communication and promotion about the program is viewed by many as a major area for improvement, some of the SWNZ members have also reflected concerns over the standard of the program. As one of them asks: "if we get 100% [independent audition for all wine producers], is the bar too low?" One of the participants stated:

> I don't think the bars are set very high. I think it's great they're encouraging everybody so that means we don't have any slackers, it's quite an easy audit to pass. I think what they are doing is making sure that they are pulling everybody up to a level but I don't think the level is particularly high.

This line of argument finds roots in the 'betterment' sustainability discourse. For these participants, 'sustainability' should be a bar that is "continuously raised" and 'sustainability practice' is about "constant improvement". One participant, for instance, noted:

> My feeling about sustainability is, it is about always getting better. The true meaning of sustainability is not just about surviving, and my philosophy is that it's all about consistent improvement, about always getting better, and always looking for new ways to become better at what you do.

Also significant is the frustration revealed by some participants toward the lack of differentiation within standards set by the SWNZ program. Understandably, if everyone is placed on the same level, although the industry as a whole has a market advantage, individual companies stand to lose their 'point of difference' against each other. One participant, in particular, reflected the desire for a system in place that encourages individual companies' initiatives in pushing for constant improvement and higher standard:

> Maybe they [New Zealand Winegrowers] could add tiers in their sustainability program so everybody can join and reach the minimum standard, but if you want to do a bit more you could become a level 1 or level 2 or something like that. That will encourage people to improve. Like the Carbon Zero program, [although we are not part of it], what it does is that it pushes us to reduce our carbon footprint, it's amazing what companies and people can do when they're pushed along. So if there are different levels, people can move up, and they can always set themselves up for a higher goal.

Consistent with the thought of Gunningham and Rees (1997), as well as Campbell (2006; 2007), the New Zealand Winegrowers plays a key role in governing business activities through a generally well-organized regulating system. The high compliancy rate of the SWNZ program, enhanced by explicit sanction mechanism (King & Lenox, 2000), provides the New Zealand wine industry with a distinct advantage on the international market front. Despite several issues reflected by the participants, the New Zealand Winegrowers, as the industry association, is generally recognized as the authoritative regulatory body within the wine sector. This demonstrates a strong self-regulating initiative of the industry that centers on the fundamentals of a market discourse. Evidently, in the participants' discussion regarding the industry's self-regulatory initiatives, competitive advantage, or the lack of it, is perceived as the most prevailing motivation, or barrier, behind sustainability practices.

The wine industry's self-initiated regulatory framework falls well into what Bernstein and Cashore (2007) refer to as 'non-state market driven systems', where regulatory initiatives are effectively driven by the market. This is reflected not only through its use of market-based incentives, such as providing members with the benefit of having the SWNZ logo on their wine bottles, but also through its use of the market as sanctioning mechanisms, such as prohibiting non-members from participating its competitions and marketing events. Within the market frame however, ethical and moral discourses continue to penetrate in the participants' discussion of regulatory motivations, where a genuine concern for the environment and a general commitment for 'constant improvement' are viewed by some as an essential or important complementing factor that drives sustainability practices. As the next section will show, these ethical and moral discourses are deeply embedded in the moral characters of some of the individuals within the organization. In some cases, the character of individuals and their behavior become the fundamental drive behind business ethical conducts.

Discourses of motivation – Individuals as motivation

Individuals' moral character is at the core of the moral theory of virtue ethics that "grounds morality in facts about human nature, concentrates on habits and long-term goals, extends beyond actions to comprise wants, goals, likes and dislikes, and, in general what sort of person one is and aims to be" (Arjoon, 2000, p. 173). Almost all participants in this study, to a different extent, reflected on how their own personal or those of some other individuals' values and beliefs influenced their company's position and practice toward sustainability. Some participants, in fact, have identified an individual's influence as the initial and the most important drive for the company's sustainability practice. One participant, for instance, stated:

> I think the first motivation, the initial motivation was probably driven by one of our vineyard manager's, XX [name of the person], who's based in XX [name of the region] and he is extremely sustainable and environmentally committed. He has been

a big driver for the company. He's also on a lot of little projects and things on the side and been quite involved in those kinds of programs… so yeah a lot of what we're doing now has been driven by him.

For this participant, the vineyard manager's personal characteristic – 'extremely sustainable and environmentally committed' – is seen as the initial motivation that drives the company's sustainability practices. Like this vineyard manager, across this study many individuals have been identified as highly committed to and having a philosophy about sustainability. For instance, in discussing the company's main motivation behind sustainability practices, one participant responded:

> Well it comes right from the top, the owner, XX [name of the person] has strong opinions on being sustainable and about conserving our resources… he's heavily involved in a non-for-profit organization as well, so not just environmental sustainability, also social and wellbeing programs.

Another participant who, himself, is highly involved in the local sustainability programs, stated:

> For me it [sustainability] is a philosophy; it's about becoming better at what we do and who we are. Every year in the vineyard to me is a research year, every year is a trial so that we try things, we do things in the vineyard and we learn from that year, and then we can add it to next year so we become better at what we are doing.

These individuals' commitment and philosophy is often perceived as an important motivation for them to not only drive their own company's sustainability practices but also become involved in other environmental and social projects that are outside the company scope. They, therefore, ascribe to the characteristics of what Burns (1978) refers to as 'transformational leaders' who not only have high moral and ethical standard themselves, but also seek to raise the level of human conduct and ethical aspiration of others. Regardless of their roles in the organization, the owner of the company or the vineyard manger, these individuals' vision and moral inspiration makes them the transformational leader of the organization who encourages commitment and fosters change.

As Koehn (1995) points out, from a virtue ethics point of view, the important ethical matter is that individuals are able to make contributions of value to a society or communal enterprise and that the virtuous agent simply is the person habituated to desire to do what is good and noble. The character and beliefs of individuals, therefore, are crucial to their desire as well as ability to elevate the moral ground of others and transform behaviors. Across the interviews, a number of factors have been identified by the participants as the key aspects that have influenced their personal attitudes and beliefs toward issues surrounding sustainability. These included personal experience, educational background, as well as research and knowledge advancement. One participant, in discussing his personal motivation toward sustainability practices, stated:

> My motivations are driven from personal experience. I had worked for someone in XX [name of the region], XX [name of the person], who was among earliest organic producer in New Zealand… So my inspiration came from him. I also had an extended period in Europe, based in London actually where I think, they were more advanced than we were and possibly still are, they just seemed more in tune with the environmental sensitivity and they had a lot of pushes too in the supermarkets.

For this participant, his personal work and life experience was the drive for him to become more environmentally sensitive. For some other participants, it came from an educational background:

> I studied the program at Lincoln University, you know, the model of the Swiss Sustainable Growing. I was very impressed with it so I thought it would be good for the environment around the vineyard, it was going to be a good approach to see how we can become more sustainable, there were some really interesting things in the program, that cover crops and alternative sprays and yeah so we thought we would give it a go and we did it, it has been ongoing and very good.

Another participant, in discussing some of the recent experiments in the vineyard, reflected on how others' research and knowledge advancement has promoted his personal understanding and approach toward sustainability practices:

> This guy, XX [name of the person], he's done a huge amount of research into the use of beneficial plantings around the vineyards, you know, planting flowers and that kind of thing. He's involved in a big project in XX [name of the region], he did some good solid research, he got in there and counted the bugs and he said well if you plant this plant here, you're going to get so many beneficial insects, and you're going to be able

> to stop using that sprayer and that particular chemical. That was amazing, I thought, and it's huge, I mean if you do it right, it's beneficial in so many ways…

The participant went on to talk about a few types of flowers that they have planted in the vineyard:

> …when you leave if you look over the other side of the road, you'll see we've got alyssum which is a little white flower, and there's another vineyard just out that way and we've got a mix of wildflowers, we've got some nice little red poppies coming up now and all sorts of things. I'm not sure if we've got the colors quite right this time but it's such a good approach, a good thing to try, you know, so yeah, this guy XX [name of the person], he's right into it, done the research and he's really enthusiastic, it got us all fired up, it just makes you realize there are very good alternatives…

The advancement in research and knowledge, for this participant, presents exciting opportunities in terms of companion planting and sustainable growing. More importantly, the commitment and enthusiasm of others have influenced his approach as well as attitude toward sustainability practices. In a similar vein, some other interviewees have also reflected on how the experience and passion of others have been inspirational for them to become more sensitive about, and involved with, sustainability initiatives and practices. One participant, for instance, stated:

> I know this guy, his family has a vineyard, he wasn't working in the vineyard at the time but he would go home for the weekends and go shooting and hunting/gathering sort of stuff on the home vineyards. And I think it was during the 70s or maybe it was 80s he noticed that the soil was going a kind of grey color, and that he wasn't able to shoot as many pheasants and birds, and noticed the wildlife was slowly disappearing. It was at the same time that the chemical companies were having a big push to viticulturalists and coming up with what we call calendar spraying. So regardless of the climatic conditions, regardless of the life cycle of what you are trying to get rid of, they were just spraying. So it was his I guess inspirational and emotional talk that pushed me in that sort of direction as well.

For this participant, the story and emotion of others are turned into his own inspiration and motivation. After telling this story, the participant said:

> So yeah, it's quite a personal motivation, I guess it's children. I have three kids and I think when you see some of the damage that has been done through the use of chemicals and you hear stories like that, you know that something is not right and you have to do what you can.

In this passage the participant is making a moral and ethical statement, expressing a concern for the damage that has been done to the environment and a desire to do the right thing. These moral and ethical discourses are deeply embedded in, and are reflective of, the participant's emotions and feelings. For this participant, the motivation for sustainability practices has passed beyond strategic calculations and become something 'personal'.

In market-based motivations, as discussed in previous sections, individuals' moral and ethical discourses often emerge to supplement, and challenge, the centrality of a market mentality. In individual-oriented motivation, however, these moral and ethical discourses become crystallized in the shift from viewing sustainability practices as part of business decisions to emphasizing personal values and beliefs behind sustainability motivations. Like the aforementioned participant, some other interviewees also reflected on how sustainability practices have become 'a personal thing'. Another participant, for example, stated:

> Basically it [sustainability practice] is the right thing to do, I mean with the environment if you were just going to be careless and damage the soil and not care, it says something about you as a person, doesn't it? And also your people, people who work for you, you've got to pay them right, you're not going to rip them off… I think it's just a personal thing, you can't add a tangible benefit to that, I guess you just feel better because of it, you know.

For this participant, 'doing the right thing' and 'feeling good about it' are identified as important motivations behind sustainability practices. As the theory of virtue ethics posits, individuals commit to ethical and virtuous conduct because it is the moral thing to do and it is in their character to do so (Hursthouse, 1999). In viewing 'sustainability' as something that carries personal and sentimental values, as shown in the above examples, the moral character of these individuals becomes the foundation for their own, as well as their company's, ethical conduct. In their discussion of personal motivations, some participants revealed how their own, and some other individuals', personal values and emotions had become the key for them to transform self-interest and business-centric consideration into ethical practices that benefit themselves as well as others beyond a cold economic rationale. One participant, for instance, considered the owner of his company as the initial drive that had led the company to a sustainable path. For this participant, the owner's personal 'affinity with the land' is the most important personal value that has been transformed into actual business practices:

> It was important for XX [name of the owner], he wanted to have a point of difference and he's not just going to be another winemaker that's selling wines, he wanted to have something different. XX [name of the owner] has always had an affinity with the land and wherever he's gone he's always built the wetlands, he loves birds... he wanted us to be a sustainable company. When we did the construction of the winery and the design of the winery, our focus was to build a winery that was very energy efficient and it just flowed on from there, so it was just right from the word go, and it just has grown from there.

This passage reflects on Duska's (2010) comment about the "false dichotomy between altruistic and self-interested activity" (p. 730), where the schism between business' interest, in having a point of difference and being energy efficient, and its perceived social duty has dulled. Here the owner transforms business self-interest into ethical practices not only because such an act is considered moral and virtuous – 'it is the right thing to do', but also because of his own personal values and beliefs. Another participant, in talking about a correspondence between the owner of the company and himself (branch manager), stated:

> A couple of weeks ago we got some feedback about our organic wines, and one in particular was very positive for us, saying 'well done, congratulations, you are doing the right thing'. XX [name of the owner] flicked me a quick email on Saturday morning as I was watching my boy playing cricket, saying 'what do you think the tipping point will be', and he was referring there to the tipping point of the market, so his view is that we are now just right at that tipping point and it is going to tip soon and then it is all on, and everyone will have to have proof that what they are doing is sustainable. So he is a pretty astute businessman, but I think the key for him and for me as well is before that tipping point hits, is to try and convert people as well.

As reflected by this participant, both the owner of the company and himself feel rewarded about being recognized as "doing the right thing". Meanwhile, they are also both excited about being "right at that tipping point". For this participant, there is a clear synergy between being able to do the right thing and serving business interests; between being an "astute businessman" and a transformational leader that seeks to raise others' awareness and change behavior – “to try and convert people”. Following this passage, the participant continued to talk about the owner’s personal influence on the company’s sustainability initiatives and practices:

> XX [name of the owner] has always had a feeling that we should be sensitive to the environment and sensitive to the people who are working with the environment, our employees. He set up an organic vineyard in XX [name of the region] back in the late 90s, called XX [name of the vineyard], which was way ahead of its time really, quite a big organic vineyard. So he puts his money where his mouth is and it has been a really hard exercise as we have learnt as we have gone along, and it hasn’t been too economic to date, but we’ve learnt a lot. So that has been a big driver for the company as a whole to have the person at the top really be, you know, following up his words with actions, and he is even more so now.

Here the owner’s sensitivities to the environment and the people, as well as his personal actions, are seen as “a big driver’ for the company’s sustainability path. Like this owner, several other individuals mentioned in this study have demonstrated characteristics of not only a transformational leader, but also a successful social enterpriser. As Roberts and Woods (2005) point out, social entrepreneurship is a mindset or paradigm of incorporating social values and missions into business practices and, as such, it has a place in any business. Social enterprisers, then, are those who share in common the visions of socially responsible business and the ability of instilling such values in the organization (Roper and Cheney, 2005). The aforementioned owner is one such example; the previously mentioned owner who has ‘an affinity with the land’ is another. However, company owners are not the only people who may have a transformational effect. The following passage, for example, revealed how the personal values and beliefs of a chief winemaker had been influential in the company’s sustainability development:

> Well we’ve been on this site since early 90s, XX [name of the person], he’s our chief winemaker for the entire time. When he had the opportunity to build the site he really wanted to build it with sustainability in mind. Sustainability wasn’t something that we’ve picked up on the side and run with. When XX [name of the person] built this place from scratch he kept sustainability in the back of his mind and he has done everything with that intention, so yeah, it’s from scratch and it’s always been embedded in the company’s excellence.

In this passage, the chief winemaker's emphasis on building a sustainable winemaking site has an important bearing on the company's value proposition. His personal commitment is not only perceived as the initial motivation behind the company's sustainability positioning, but also an influential factor on the company's ethical climate and culture in what should be considered as excellent business practice. This chief winemaker therefore, as well as the aforementioned few company owners, functions as the early leader that establishes an organization's climate regarding ethics. Whereas the climate regarding ethics is shared and clear, as Dickson and colleagues (2001) point out, the characteristics of the climate regarding ethics will come to be internalized by organization members. One participant, in particular, reflected on how the leadership of the company is crucial in fostering a sustainability culture in the organization:

> Growing sustainably is a feel good thing, but it's not just that, it's also just a culture in the company. The owner of the company, XX [name of the owner], it starts right at him, it's a really good company to work for and the culture and the management support for sustainability is huge, we have a sustainability meeting maybe once every six months, senior managers, managing director come and sit down and make time for it and that's huge, but it starts from the top, because if it doesn't come from him [the owner], there's no buying. So it starts from the top and it's the culture, it's something we don't have to consider, and it's just something we do its part of our everyday business, it's just second nature for us.

Here the participant views sustainability practices as part of the company's culture – "it's just something we do its part of our everyday business" and it is just "second nature". The owner of the company – "from the top" – is seen as the most important drive in development of such a culture, from senior management to branch employee like herself. For this participant, the owner's commitment and determination is the key to company's sustainability culture simply because 'if it doesn't come from him, there's no buying".

Throughout the interviews, moral and ethical discourses prevailed when individuals were identified as the key motivation behind a company's sustainability practices. These individuals' values and beliefs, often influenced by their experience, are the key to their personal as well as the company's commitment to a sustainability path. Underlying such a commitment, is the individual's desire, as well as ability, to transform self-interest into ethical and virtuous business conduct. These motivating individuals are crucial in fostering a sustainability culture within the organizations and in elevating the ethical and moral ground of others. As reflected by many participants in this study, successful and inspirational individuals are committed to social missions not only because such an act is ethical and virtuous – 'it's the right thing to do', but also because it is in the individuals' moral imperative to do so – 'it's a personal thing'.

DISCUSSION

The above analysis has been an effort to explore the underlying ideas and assumptions in the participants' discourses and to make sense of the worldview as well as the material life of the individuals, as well as of the organizations, embedded in these discourses. The discourses of sustainability and motivation emerged in this study are mostly representative of the business case argument, which emphasizes the economic rationale for sustainability practices. From a business case viewpoint, social and environmental performance is promoted to enhance the financial bottom line. This is reflected throughout the interviews in the participants' discussion of the initiatives that drive their companies' CSR practices, where the market discourse takes the central stage in advocating for business self-regulation as well as prioritizing economic values and financial incentives in business sustainability decision-making. Business preference for self-regulation and reliance on market mechanisms are expressions of its pursuit of external goods, such as money, power and fame. According to the practice-institution schema (Moore, 2002), business pursuit of external goods is determined by its institutional characteristics as a profit-oriented social economic entity.

Constrained by such institutional characteristics, then, social and environmental concerns in business would only be attended when they can be justified as the pursuit of external goods because of perceivable economic values. In cost and risk-based assessments, for example, social and environmental issues are considered as tradeoffs for ensuring financial performance. Although the participants of this study did not identify this line of concern as the primary motivation, they are nonetheless an important factor that drives many companies' sustainability practices. On the other hand, market advantage has been identified by many participants as the key drive. For many participants and their companies, competitive advantages, derived from sustainability-related credentials, are seen as the main motivation behind CSR practices. The incentive of competitive advantage extends to reputation and legitimacy-related considerations, where enhanced company reputation and legitimacy, through sustainability initiatives and practices, are perceived as potential market advantage. Further, in regulation-based discussions, both the strong industry self-initiative and the weak government regulation are clearly presupposed by a market discourse, where the market fundamentals and the neoliberal political ideology remain dominant.

In the participants' discourses of motivation, therefore, the pursuit of external goods is the overarching theme that describes the companies' sustainability positioning and initiatives, which are essentially validated through the business case rationale. Following such a rationale, then, where market rewards are lacking, the business case argument would become weak motivation for long-term and sustained CSR practices because they are not justifiable as the pursuit of external goods. However, across the interviews in this study, many participants demonstrated long-term commitment to and incorporation of sustainability practices, as personal as well as company philosophy, despite the weak market signals in many cases. This illustrates that the business case alone cannot fully explain some business engagement with sustainability practices.

The emergence of moral and ethical discourses in this study, where participants express a genuine concern for the environment and a general commitment to sustainability models of practice, is a significant supplementing theme that serves to challenge the centrality of the market discourse. These moral and ethical discourses, as demonstrated in the participants' discussion of their understanding as well as motivation for sustainability practices, are deeply embedded in the ethical and moral character of some individuals within the organization. Throughout the interviews, many individuals have been identified as the fundamental motivation for a company's engagement with sustainability initiatives and practices. These individuals' personal commitment to, and philosophy about, sustainability are often seen as the driving force behind not only virtuous business conduct, but also the development of a moral and ethical climate in the organization.

Individuals' moral and ethical-based considerations move the discussion of CSR motivation from the business case of 'self-interest' enlightenment to a normative case of the individuals' desire to 'do good'. In returning to the practice-institution framework, the individuals' desire to 'do good' is conceptualized in the notion of 'practice', where one's pursuit of internal goods is based on, and derived from, the virtue and moral character of the individual. Essential to the normative case of sustainability practices, therefore, is the individuals' moral character and their pursuit of internal goods. In other words, whereas the pursuit of external goods is determined by business's institutional market characteristics, the pursuit of internal goods depends on the individuals in business finding rationales in normative narratives and intrinsic values. As shown in the discussion of many participants as well as their reflections of others, for many individuals within the business arena, leading business practices to a sustainability path is not only seen as 'the right thing to do', but also simply a way of embracing and engendering virtue and morality through example and virtuous conduct.

These individuals help to illustrate a clear normative case for sustainability practices, where the moral and ethical character of individuals weighs at the core of sustainability decision-makings. In fact, one of the most significant findings of this study has been that although many of the participating companies' engagement with sustainability practices is still largely market-oriented, such a business case is often rooted in, and substantiated through, individuals' moral and ethical pursuits. In van Marrewijk's (2003) conceptualization of value systems and their transcending processes, then, the business case argument for sustainability is indicative of a strong exercise of its *agency* capacities in efforts to preserve conventional business order while adapting to a changing social context through incorporating social and environmental values into the pursuit of external goods. On the other hand, individuals' moral and ethical pursuits – the pursuit of internal goods – can act to mobilize the *communion* tendencies within business that seek to dissolve older value systems and transcend to a higher level of complexity.

In the context of corporate sustainability, the increasing pressure placed on business to act responsibly can be seen as a social catalyst that promotes the *communion* tendencies in challenging the 'business as usual' ways of practice, and provokes the *agency* capacities in providing incentives as well as opportunities for business to move to a higher level of existence. Many participants of this study have reflected a general awareness of the changing social values and beliefs. Some participants, in discussing their understanding as well as motivation behind sustainability practices, have demonstrated strong sensitivities to the changing social context and a desire to align with new or emerging social norms and expectations. When such sensitivities and desire are anchored in individuals' virtue character and substantiated by a genuine moral and ethical purpose, the normative case takes on strong *communion* tendencies in deconstructing older business case fundamentals and invoking new interpretation and definition of the business's ways of practice and its place in society.

CONCLUSION

This research has been an endeavor to answer the question: what motives the wine companies in New Zealand toward sustainability practices. The study finds that while companies' sustainability decisions are primarily made against the back drop of an economic rationale, these decisions are often deeply influenced by personal values and beliefs of the individuals within the organization. Especially when the market is not perceived as sending strong signals for 'sustainability' goods, such personal philosophy about, and commitment to, sustainability becomes pivotal in driving and sustaining CSR initiatives and practices of the company. Thus the study concludes that the business case argument cannot fully explain companies' engagement with sustainability practices in the long term. While economic and financial incentives continue to be the key driver, a company's sustainability initiatives and practices are often substantiated by a normative core, which is rooted in the moral and ethical pursuits of the individuals within the organization.

The thesis contributes to a theoretical understanding of business ethics by promoting a pragmatic and integrative approach in considering the issues of ethics in the business arena. While a pragmatic approach allows us to break conventional philosophical constraints in making ethical judgment, an integrative perspective incorporates both normative and empirical aspects in examining moral and ethical issues. The ongoing dialogue between ethics-based perspectives and strategy-oriented arguments, for instance, reflect such efforts of business ethicists in understanding the practical issues of the strategy-ethics dilemma in CSR studies. In adopting a pragmatic and integrative approach, therefore, business ethicists can expand the scope of their inquiries in considering multiple theoretical frameworks and philosophical stances, as well as develop a better understanding of the issues surrounding business ethics through adjoining apparently incommensurable value propositions and moral justifications. Both normative and empirical business ethicists can benefit from such an approach toward making sense of, and contributing to, what Gustafson (2010) has referred to as 'normative narratives' that grounds theoretical as well as empirical development of business ethics theories in the pursuit of real practical issues.

In an effort to understand business sustainability initiatives, this study finds that the theory of 'virtue ethics' is particularly useful in explaining how the values and beliefs of individuals are transformed into key company motivations behind sustainability practices. In line with a pragmatic and integrative approach, a great strength of the virtue ethics theory, according to Whetstone (2001), is that such an ethical approach complements other moral perspectives in seeking to address human behavior. In other words, the theory of virtue ethics can be incorporated with other philosophical traditions, such as utilitarianism or Kantianism, in making sense of various business ethics issues while placing a focus on the moral character of the individuals and its transformational influences in driving ethical business conduct.

A further implication of the virtue ethics theory, in its emphasis on human values and morality, lies in its conceptualization of business as a human enterprise with embedded ethical and moral values. In such conceptualization the fundamental issue of business ethics becomes the question of how individuals, as moral agents, can serve to promote virtuous business conduct and help foster a moral and ethical climate in the organization as well as society at large. As such we return the issue of business ethics – how business should behave – to the question of 'how people should behave' and more crucially, as Arjoon (2000) puts it: how we can fulfill our true potentialities in our state of 'being'. As the individuals within business make their pursuits of internal goods, they realize the vision of business as 'a human institution in service to humans' (Solomon, 2004). Their moral character and ethical sensitivities are essential in driving business *excellence*, which, according to Solomon, is defined not only by its superiority in practice, but also its role in serving larger social purposes.

In an evolving social context where business is placed under increasing pressure to incorporate social and environmental values in its practices, there presents great challenges, as well as exciting opportunities, for business to re-define its place in society. While business must strive to prosper, as an economic entity, its social side of identity determines that it has to align with new or emerging social standards and norms which constantly change the conception of what is considered as excellent business practice. The core of corporate social responsibility or corporate sustainability, according to van Marrewijk (20003), lies in the evolution in social value systems. In viewing business as a human enterprise we may focus our attention on how to promote an integrative capacity whereby human values and morality can be transformed into an economic 'state of affairs' in fostering a moral social climate and cultivating the transcending processes of social value systems.

This study is limited in its scope and therefore generalizability. Future research could extend the scope and examine whether the findings are applicable to other wine companies in New Zealand. Another possible research area is to investigate whether regional differences exist in the understanding and approach of sustainability practices. If so, the research can expand to examine possible factors that contribute to these differences. Finally, similar studies could be conducted focusing on other industries in New Zealand, as well as other countries, to examine how different social, cultural and historical backgrounds may affect the initiatives and motivations behind business sustainability practices.

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