

## Chapter 27

# Scaling Sustainability Value in Sustainability Purpose Organizations

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### ABSTRACT

*While sustainability purpose organizations attempt to create environmental, social and economic value for society as a core operating objective, two questions remain; one, how do these organizations increase their sustainability impacts, and two, does this method differ by organization type? The purpose of this research is to examine the process of organizational expansion and the extent to which there is a ceiling with respect to the scale and scope of influence that an environmental organization can have on transitioning society towards a greener future. This study compares the process of value creation in four different sustainability purpose organizations in Oklahoma: two non-profit environmental service organizations and two for-profit green energy businesses. Semi-structured interviews conducted with the leaders of these organizations identified differences between non-profit and for-profit sustainability purpose organizations.*

### INTRODUCTION

Changes to behaviors, social practices, policies, technologies and institutions are needed if society is to move towards more sustainable pathways (Grin et al., 2010; Strengers and Maller, 2015). Organizations have critical abilities and capacities to help foster changes to the institutions and infrastructures of society. Organizations span boundaries and connect levels and sectors in a way that allows for ideas

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and technologies to be diffused and adopted by communities and markets. Organizations led by change agents driven by personal sustainability objectives (Gliedt and Parker, 2007; Kirkwood and Walton, 2010; Schaper, 2010) are termed in this paper as sustainability purpose organizations (SPOs). SPOs are designed to create and deliver local sustainability solutions to global challenges such as climate change and local challenges including energy and water system improvements. SPOs can be non-profit organizations (Gliedt and Parker, 2014) or businesses (Hockerts and Wustenhagen, 2010). While both types are primarily dedicated to sustainability, these organizations differ in their structure and operating procedures, in addition to their secondary motivations (e.g., social development, education and engagement, profit). To create sustainable value, SPOs generate environmental, social and economic benefits by partnering with government agencies or other businesses and non-profits. In order for the SPO to expand their impact, it is imperative to overcome resource limitations and generate more social value. Scaling sustainability is the term used to describe the ability of an SPO to better match the magnitude of the social/environmental need or problem it seeks to address (Dees, 2008). However, little is known about the process of scaling-up SPO sustainability impacts, and how this process may differ between organizations.

This paper compares the scaling process of four SPOs in Oklahoma: two non-profit environmental organizations and two green energy businesses. Oklahoma provides an interesting context for this research, given its long and supportive relationship with the social economy (e.g. disasters relief organizations and churches). On the other hand, it is not surprising environmental SPOs are scarce in Oklahoma given the fossil fuel industry dominance in the political economy (US Bureau of Labor Statistics, 2015). SPOs attempting to scale their sustainability impacts in Oklahoma face fossil fuel dominance and other contextual barriers with respect to sustainability, but may benefit from the ‘service, honor and kindness’ standard that characterizes the state (The Oklahoma Standard, 2014). The research question of this study is to examine the extent to which non-profit and for-profit SPOs differ in the process and motivations for reducing negative impacts on the environment.

Non-profit SPOs are often created with the support of government funding or partnerships with businesses (GCC, 2014; NRDC, 2014; Zech, 2014). Grassroots non-profit SPOs, as opposed to national advocacy or movement organizations like Sierra Club or Greenpeace (Carmichael et al., 2012; Johnson and Frickel, 2011), can improve the sustainability of their operations (Dart and Hill, 2010) or that of the surrounding communities through service creation and delivery (Gliedt and Parker, 2007) in order to fulfill social and environmental missions. Such entrepreneurship allows SPOs to expand the scope and scale of sustainability value creation (Gliedt and Parker, 2014; Weber et al., 2012; Weerawardena et al., 2010) in conjunction with strategies to become more business-like (Sanders and McClellan, 2014) so as to overcome resource limitations (Malatesta and Smith, 2014) or to create more social value (Dees, 2008).

For-profit SPOs are businesses created specifically to address sustainability concerns (Horwitch and Mulloth, 2010; Kirkwood and Walton, 2010; Schaper, 2010; Walley and Taylor, 2002). These organizations use green entrepreneurship processes to create a net-positive benefit for the environment by filling market opportunities for environmentally beneficial products, or by addressing market failures with pollution reduction services (Pujari et al., 2003; Schaper, 2010). The main difference between green entrepreneurs and standard entrepreneurs is the personal environmental values that drive not only the original creation of the organization but also its expansion over time (Kirkwood and Walton, 2010).

Despite operating in an environment characterized by political, economic and ecological uncertainty (Gliedt and Parker, 2014; York and Venkataraman, 2010), many SPOs seek to expand their impacts

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