

Norm formation in companies – project plan

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1. Aims and role in the programme

In addition to the official legal system of norms, companies have implicit internal norms that can be described as part of the company culture. Many companies, especially larger companies, also have explicit norms in the form of written policies. We are going to investigate how norms relating to the environment and work environment arise and develop in large and middle-sized industrial companies. This is an issue of major importance for how environmental issues are treated in decision-making and in processes of change and innovation in these companies. Do the environmental norms have an innovation-driving force in the same way as the economic goals of the company, or are they treated as restrictions? What roles do economic considerations, such as abatement costs, have in the formation and application of environmental norms in companies? Our hypothesis is that this will largely depend on the degree to which these norms are internalized in the companies.

Recent developments in environmental policies (goal-steering, voluntary agreements, internal control) have increased the importance of company norm formation in environmental policies. By learning more about norm formation and how it is influenced by external processes we hope to improve the knowledge base for (1) government agencies that construct policy measures that are intended to influence the behaviour of companies, and (2) companies that search methods to improve their own environmental performance.

Hence, this project has its emphasis on programme goal 7. (To produce useful knowledge about the norms, values, and other factors that determine the environmental behaviour of companies and how it can be influenced.)

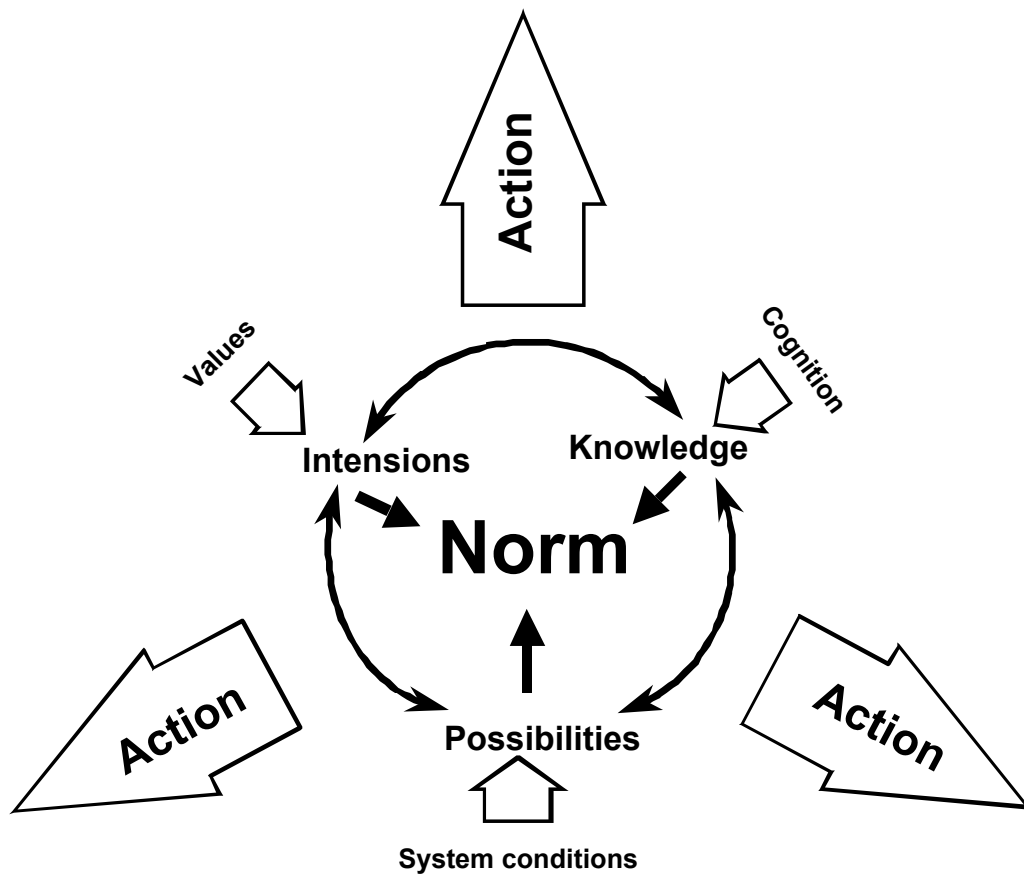
2. Background in environmental policies

In Sweden as in other countries, companies are required to follow an extensive set of rules and regulations pertaining to the environment and to workplace health and safety. Parts of this rule system have been decided on the European level. This includes most of the specific regulations on chemicals control such as the classification and labelling of chemical substances and products, the registration of pesticides, and the notification of new chemical substances. Other parts are decided by the Swedish parliament and government. This includes the major laws and ordinances that comprise the legislation on the environment and the work environment. Still other parts are decided by regulatory agencies such as the Environmental Protection Agency, the Work Environment Authority, the Chemicals Inspectorate, and others. The latter category includes detailed rules for instance on internal control, on handling of chemicals, on machinery etc.

These rules constitute a system of formal norms. The purpose of such , legal, rules is to influence the behaviour of the addressee of the law, the companies. In this research project the behaviour of the actor is seen as determined by norms of different kinds. Individuals have another type of norms, namely moral norms, that also refer to health and the environment. Companies have implicit norm systems that are part of the company culture. Larger companies also often have an explicit norm system in the form of policy documents. It is in the relation between these different norms that the explanations of the specific way of dealing with the environment and work place problems have to be looked for. A sustainable strategy requires considerations of ecological norms as well as economical and social norms.

Swedish workplaces have a specialized organisation for the work environment (occupational health and safety) that includes safety shopstewards, health and safety committees, and in larger companies often technical and medical expertise in occupational health and safety. In later years, although this system has been retained, a much stronger emphasis than before has been put on the responsibility of the general management – on all levels – for the work environment and the safety to the employees. Hence there are two parallel systems with different backgrounds and traditions, that have to cooperate in order to achieve a satisfactory work environment. At the same time, the management structure of companies has become much more complex than when the Work Environment Law was adopted. (At that time it was common that the chairman of the health and safety committee had all the powers needed to make the decisions called for.) We now have legal requirements that companies have a well-functioning system of internal control. At the same time, the role of goal-steering and voluntary agreements has increased substantially in environmental protection. Hence in both cases recent developments have made it even more important than before that the internal norms of companies are in conformance with society's basic goals and norms. It is therefore more important than ever to understand how the norm systems of companies function and how external forces are internalized within the companies. Unfortunately, not very much is known about this, due to the lack of scientific research in the area.

3. Scientific background



This research has its starting-point in a theory of legal sociology that operates on the assumption that human actions are based on norms. (Hydén 1998) Methodologically, this means that actually performed actions form the basis of the analysis. Starting out from actions, the researcher tracks their origin “backwards” to their normative driving forces.

It is an essential feature of this theory that norms are seen in a systemic perspective. In other words, they are analysed against the background of the social, cultural, economic, political, administrative but also biological and physical systems that delimit the agents’ scope for action. A norm is assumed to have three presuppositions (see the diagram). One of these is the driving force, or motive, for action. It is closely connected to systems of values, ethics, ideologies and motivations. The second component is knowledge about the functionings of the system. It is closely related to cognition. The third component is constituted by the actual possibilities and limitations that are given by the social and natural systems. In a more developed analysis, the interrelations between these components will also have to be taken into account: values influence cognition, norms have descriptive functions (Therborn 1993), etc.

Given that norms arise from this complex and conflict-ridden background, it should be no surprise that conflicting norms are a common social feature. Society does not have only one system of norms, but rather a number of competing systems of norms (Hydén 1999). As has been argued by Habermas (1981, 1992) and others, modern society is characterized by increased distances between the various norm systems that it contains.

The sociology of law is one of several disciplines that studies norms. A major characteristic of the sociology of law, as compared to these other disciplines, is the emphasis that it places on the actual approval or acceptance of a norm among those who are supposed to abide by it. If the distance is too long between formal rules and the “norm world” of individuals, then control costs become forbidding.

In major applications, environmental norms compete with the economic norms. The economic system has clear and fast criteria of success that give a strong support to the norms associated with this system. In contrast, environmental norms

have much more uncertain and distant criteria of success. This is a major reason why environmental norms, including those that are written into environmental law, often succumb to economic norms when they are directly confronted with each other.

Environmental law can be said to operate largely on enemy ground; its purpose is to curb the application of strongly supported economic norms on their own home ground. Therefore environmental law is associated with high control costs and needs for supplementary measures that create economic incentives. However, to some extent this situation has changed through increased environmental awareness in the population at large since the 1990's. This development gives rise to new possibilities for a more successful legal implementation of environmental objectives.

4. Research plan and methodology

We are going to perform a series of case studies, mainly in chemical industries. This branch of industry is interesting for several reasons. Due to a long history of environmental problems, companies producing chemicals cannot avoid having standpoints in environmental issues. They are subject to regulations from all three levels: European, parliament and government, and government agencies. Furthermore, there is an interesting tradition of voluntary agreements in this branch of industry, that has a clear normative component ("Responsible Care").

The case studies will be used to develop and test explanations of norm formation and development and through this to gain a better understanding of the process of norm formation, how it is influenced by external factors, and how it relates to other processes in the companies. Important issues to be studied include

- How is the management of issues pertaining to the environment and work environment organised in the company?
- What is the relationship between explicit company norms (company policies), implicit company norms (company culture), and official norms (legal rules), as far as they pertain to the environment and work environment?
- What is the role of the different types of norms in decision processes and in innovative and dynamic processes in the company?
- What role do the different types of norms have in intra-company interactions between persons and organisational units?
- To what degree are environment and work environment integrated in the system of management, and how is the feasibility of integration influenced by the norm systems?

In order to investigate these issues we are going to study how the companies deal with problems in the environment and work environment. This will include management processes, decision-making on different types of risks, measures taken to comply with regulations, and company involvement in voluntary agreements such as ISO standards and Responsible Care. Interviews will be performed with workers in different departments, with management on all levels, with safety shopstewards, engineers, economists, representatives of company health care, etc. The interviews will be taped. They will proceed by open questions based on questionnaires. The relations between the different types of norms, and the development of the company norm system (both explicit policies and company culture) will be at the focus in these interviews. In

addition, written documents on the environment and work environment will be studied. External agents will be interviewed, including inspectors and other officials of public agencies that have tasks related to the companies in question.

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