



# BE SUSTAINABLE THROUGH NEGOTIATING IDENTITIES AND EXCHANGING EXTERNALITIES

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Companies



DI.CO.TE. aims to push entrepreneurs to recognize and optimize their externalities through cooperative actions.

DI.CO.TE. conceptualizes innovation as an open, collective process (Allen, 1983) which contributes to the creation of networks through which sustainable practices can be shared (Chesbrough, 2003).

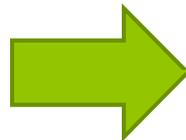
# An *Identity* of Sustainability and a Sustainable Identity

- ❑ Hamilton and Gioia (2009): sustainability is neither a further aspect that enterprises have to take into account in their yearly balance, or a value to embrace as the vision of the company. It is an aspect of the **identity** of an organization.



***Is the identity of our companies and our entrepreneurs sustainable?***

- ❑ Fredrickson (2003): Companies that play with a commitment toward sustainability activate an “upward spiral” gradually enhancing positive outcomes and satisfaction either in their business or in their organizational practices.



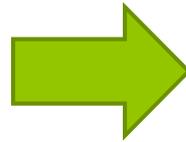
***Are the practices of our companies sustainable?***

***Are companies able to rearrange their practices toward sustainability?***

# Externalities

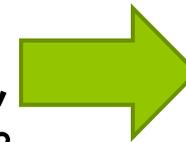


Externalities are goods and services not included into the enterprises' core *business* but rather considered as a waste.



***Are our companies able to rethink the nature and the use of externalities?***

Many scholars convey that *sustainability* should be addressed through managing the externalities (Baumol & Oates, 1988; Pearce & Turner, 1990; Cropper & Oates, 1992; Tietenberg, 1994).



***Are our companies able to manage their externalities?***

# Examples of Externalities

Agent	Externality	Receiver	Effect
Beekeeper	Pollination	Floriculturists, Plants, Ecosystem	Ecosystem Preservation
Brewery	Water wasting	Humans Beings, Animals, Plants	Thirst, Illness
Telecommunication company	Increasing of networking services	Network Users, No networked people	Over/lower communication occasions

# Exchanging externalities



Exchanging Externalities means to gift another company of our externality. In such practice the Gifting reduces organizational costs while the Gifted acquire resources with minimal or none costs.

Exchanging externalities requires an interaction between companies, creating:

- Collaboration
- Elaboration of a sustainable identity of the organization
- Elaboration of the private identities of the exchanging

- *Organization for Economic Co-operation and Development (OECD, 2000)*: one of the best practices in terms of SME innovation is the creation of interdependence to improve the competitiveness



- Interdependence can also include to share organizational practices that are considered good examples of sustainable behaviors.

# ICT and exchange



In order to build communities of companies, which share sustainable practices, we can implement, in their daily practices, a network connection through the use of Information and Communication Technologies (ICTs).

# DI.CO.TE. aims to



- Investigate the entrepreneurs identity in order to understand and eventually model the companies' propensity to cooperate and to be more sustainable;
- Investigate the use of ICTs in companies, in order to elaborate suggestions for designing a digital environment fostering social support and sense of belonging.

# Data



- Two focus group discussions involving 14 entrepreneurs in total (7 in each focus group) belonging to a Consortium;
- 106 questionnaires administered to employees of 11 companies belonging to the same Consortium;

# Focus Groups

## *Aims:*

- ❑ *To investigate the entrepreneurs' identity*
- ❑ *To investigate the ability to elaborate the concept of externality*

## *Thematic areas:*

- ❑ The meaning of “externality”;
- ❑ The individual or companies' modalities to optimize externalities; and
- ❑ The relationship between the concepts of corporate social responsibility and externalities.

*Prompt:* a video about a positive case of externalities exchange.

*Duration:* 90 minutes each

*Elaboration:* Thematic Discourse Analysis

# Questionnaire



## Aim:

- To investigate the familiarity with technological tools
- To know the preferences for collaborative work.

*Length:* 16 questions

*Type:* open ended + multiple choice

*Procedure:* Participants were invited to fill out the questionnaires at their work place.

## *Analysis:*

- Answers to the multiple choice questions were analyzed through frequencies,
- Answers to open ended questions were analyzed through a qualitative content analysis.

# Results Focus Group



Two emergent conceptual dimensions:

- *how externalities were defined by participants;*
- *how participants perceived themselves while talking about externalities.*

# How externalities were defined by participants

Timeline	Explanation	Excerpt
Beginning	not directly identify externalities; ask for researcher's definition	R: 1. Ok, this is a little video-stimulus which gives us an example of externalities. Now thinking
		2. about our daily life, what externalities do we identify?
		E2: 3. What do you mean for externalities? Are they <u>the ability to communicate outside</u>
		4. <u>a personal need, a personal way of doing?</u>

Timeline	Explanation	Excerpt
Middle	<i>(Re)-defining externalities</i>	1. Thus, it is referred to a person who has a car, who is alone in it, that is the usual problem, cars are for seven people <b>Refining the definition</b>
		2. <u>so the externality is advancing, in that moment it</u>
		E5: 3. <u>does not give, it is only a cost, then in example it could be the same discourse of reserves for an enterprise.</u>
		4. <u>And in example the stock could be an advance in a business, there is something in the stock which it is not used and...</u>
		5. [...] <b>Defining contexts and practices</b>
		E2: 6. The lawyer's books
		7. <u>In example not to mention business in example I have some book at home, because my uncle</u>
		8. always give them to me. They are interesting for me. They are from the War, which are not interesting for me. <b>Collectively negotiate the meaning</b>
		E5: 9. So when my friends are at home they choose one, because theoretical <b>E5</b>
		10. <u>from your point of view this is an externality for me, because it is</u> <b>E2</b>
		11. <u>there and it is not used, and so the re-use, that is the potential use</u>
		E2: 12. The use of something
		E5: 13. There is something that <u>it could be potentially used again</u> <b>E5</b>



Timeline	Explanation	Excerpt
Final	<i>Social and environmental impacts of externalities</i>	E1: 1. externalities encourage savings
		E6: 2. <u>Through externalities relationships are favored</u>
		E7: 3. <u>saving in all directions</u> both <u>economic</u>
		E1: 4. in all directions
		E3: 5. <u>Environmental</u>
		E1: 6. a saving for the earth if we thought
		E7: 7. <u>environmental savings</u>
		E3: 8. <u>of time, of energies, of resources, economic</u>

## *How entrepreneurs perceived themselves during talking about externalities*

### Dialogical Self Theory (Hermans, 2001):

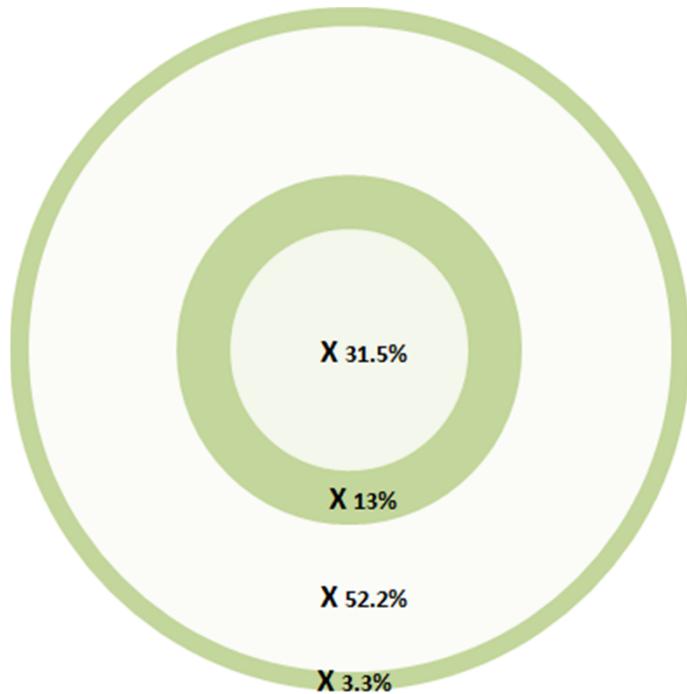
- Self extension: It not only include internal positions (e.g., I as the son of my mother, I as a teacher), but also external positions (e.g., my father, my pupils).
- Self innovation: New internal I-Positions are created during interactions whit new potential external positions.

I-POSITIONING – PRIVATE LIFE			EXTERNALITIES
Individual	Internal	<p><i>Excerpt 6. (F2). Entrepreneur E2</i></p> <p><b>I built</b> a house in the valley, <b>I invested</b> in this building, now this is a problem for me, a theme that has a relationship with ethics, so there is an issue that is still affordable, isn't it? <u>externality is a purely economic issue as well as morale issue</u></p>	Externality at the conjunction point of economic and moral issue
	External	<p><i>Excerpt 7. (F1). Entrepreneur E5</i></p> <p>'For example, not to mention business for example <u>I have some books at home</u>, because <b>my uncle</b> always gives them to me. They are books about the Second World War, which are not interesting for me. So when <b>my friends</b> come to my place, <u>I tell them</u> here there are fifty books, choose one, because theoretically from my point of you this is an externality for me, because it is there and it is not used, and so re-using them, that is the potential use'.</p>	Externality as re-using items
Social	Internal	<p><i>Excerpt 8. (F2). E5</i></p> <p>'Being a good model is important (...) When <b>we talk with</b> teenagers, <b>we think</b> that they are impeded, <b>we think</b> that they are weak (...)'</p>	Externality as symbolic concept
	External	<p><i>Excerpt 9. (F2). Entrepreneur E4</i></p> <p>'As to say that there is a real osmosis of externalities and negative aspects (...) also <u>our parents</u>, assuming a protective attitude, can inculcate negative values'</p>	The negative effects of externalities

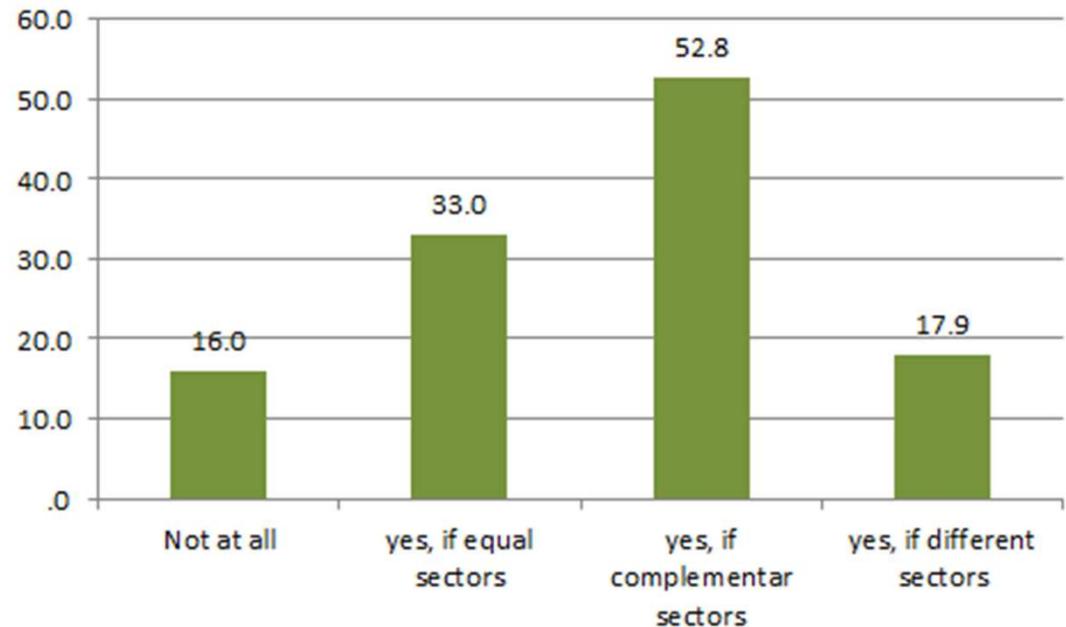
<b>I-POSITIONING – PROFESSIONAL LIFE</b>			<b>EXTERNALITIES</b>
<b>Individual</b>	Internal	Excerpt 10. (F1).E3 'I am a member of an Italian corporation'.	No externality
	External	Excerpt 11. (F2).E3 1. 'I trust <u>my collaborators</u> '.	Externality as symbolic concept
<b>Collective</b>	Internal	Excerpt 12. (F1).E6 'what we have just said here about the exchange of externalities creates an unconscious mechanism'	Externality as strictly connected to psychological processes
		Excerpt 13. (F1).E2 'We had meetings about cooking in our enterprise'; 'We do recycling'	Externality as symbolic concept
		Excerpt 14. (F2). E4 'we did a research of externalities, when Avanzare project began'	Externality as a research process
	External	Excerpt 16. (F2). E2 1. ' <u>Our small and medium enterprises</u> '	No externality

# Questionnaire Results

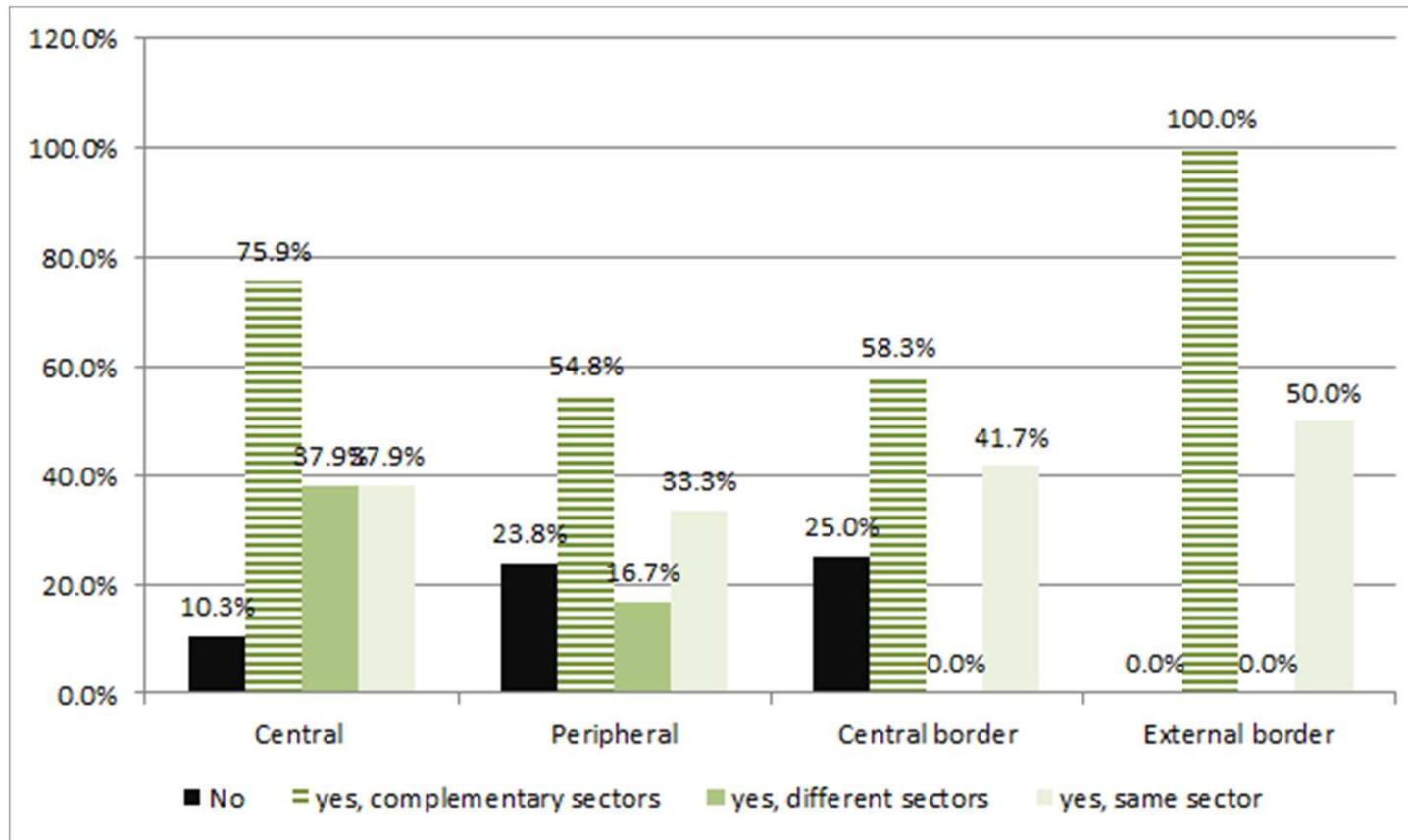
*Figure 1. Employees' sense of belonging to the company*



*Figure 2. Which kind of collaboration for improving*



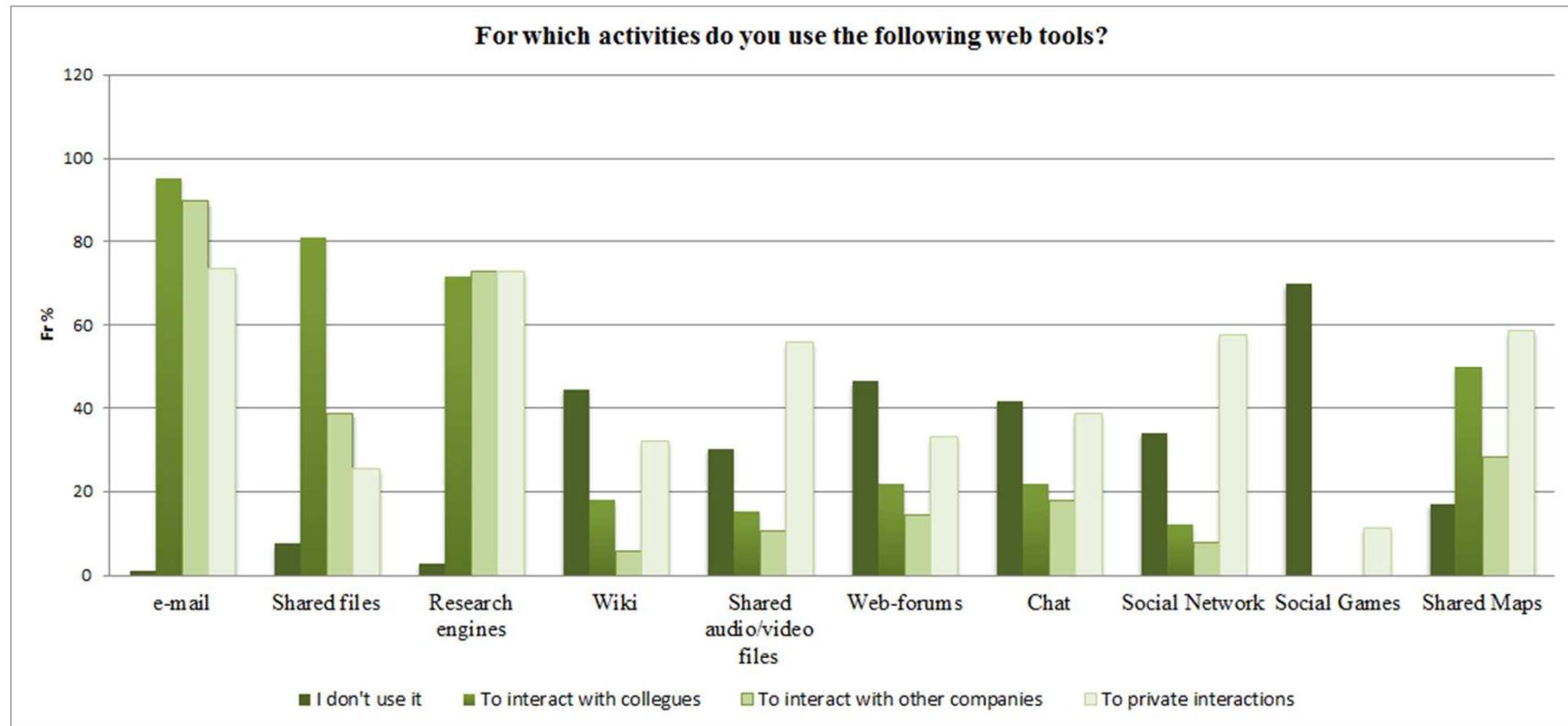
# Take attention to External border workers as more open, although careful



$\chi^2=9.15; df=3; p<0.05$

# Take attention to private life to support social Networking and simple tools to use at work

Figure 4. Tools and interactions



# Conclusions

## Scientific literature revealed:

- ❑ the externalities as the viaticum to innovate the organizational practices by moving from a focus on business toward collaborative attitude;

- ❑ The narrative description of the Self, useful to foster professional and private identities

- ❑ The implementation of specific ICTs designed to support collaboration, optimization of externalities, self-narration and inclusivity

## Results revealed:

- ❑ entrepreneurs gradually achieve a complex definition of externality from a material focus to a symbolic and to a relational focus.

- ❑ Private and Professional Selves are gradually applied to a more global context moving toward a more inclusive identity

- ❑ Collaboration is often based on simple information exchange rather than on discussion and negotiation processes. Asynchronous tools like e-mail and file sharing are the most suitable tools workers can choose to collaborate