Sustainability, Institutionalization and the Duality of Structure: Contradiction and Unintended Consequences in the Political Context of an Australian Water Business

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Abstract

This paper presents the results of a longitudinal case study of a Victorian public sector water business in order to examine how, and to what extent, did the institutionalization and deinstitutionalization of internal sustainable and environmental management routines, practices and procedures occur over the period 2001 to the start of 2011. The paper adopts the Dillard et al. (2004) framework of institutionalization which incorporates institutional theory, Weber’s axes of tension and structuration theory. In 2001, the formal rationality legitimating criteria of financial viability and commercial practice characterized financial criteria and practices at the political economic level, the organizational field level and the organizational level. An unintended consequence of this was no accounting for environmental costs. Environmental management criteria and practices were characterized by the substantive rationality legitimating criteria of complying with EPA regulatory requirements. Subsequent to 2001, an unintended consequence of the establishment of separate legislative and regulatory bodies has been the institutionalization of competing legitimating criteria with regard to water conservation, financial viability and environmental regulation. Within the context of this institutional environment, the organizational field and the organization level of the individual water business has been characterized by the development of new organizational practices with regard to water resource planning and environmental management systems, as well as unintended consequences.

Keywords: Water, Organizational change, Institutionalization, Financial viability, Environmental compliance, Water conservation