

Erica Gjetsund

# Green organizational identity in startups

How is green organizational identity perceived by employees in Norwegian startups?

Master's thesis in Management of Technology

Supervisor: Frode Haldal

August 2023



Norwegian University of  
Science and Technology



Erica Gjetsund

# **Green organizational identity in startups**

How is green organizational identity perceived by employees in Norwegian startups?

Master's thesis in Management of Technology  
Supervisor: Frode Heldal  
August 2023

Norwegian University of Science and Technology  
Faculty of Economics and Management  
NTNU Business School





# 1 Abstract

This thesis examines the perception of green organizational identity within Norwegian start-ups. The study delves into how such an identity influences employee attraction, recruitment, and engagement. It identifies a nuanced landscape where environmental consciousness is not a unique selling proposition but a market and stakeholder expectation.

The research reveals the impact of greenwashing, leading to diminished trust in green identities and the difficulty of verifying such claims. While green identities significantly influence perceived attractiveness during recruitment, there is a risk of a superficial 'greenness' that prioritizes perceived identity over tangible environmental initiatives.

The study investigates the value of green recruitment and selection (GRS) as a strategy to attract individuals aligning with the firm's environmental values. Drawing from Social Identity Theory, the research demonstrates how green identity may serve as a basic expectation rather than a prime consideration for job seekers.

The research further reveals a boost in employee motivation when their work aligns with 'green' objectives, even in the face of monotonous tasks. This motivation stems from the satisfaction of aligning personal values with those of colleagues and the organization, emphasizing the need for a green culture in the workplace.

However, the study also brings to light instances of moral licensing and cognitive dissonance, indicating a need for a holistic approach that bridges professional and personal sustainability. The thesis concludes with recommendations for companies to promote verifiable green practices and strategies that deeply embed these in employees' lives. It suggests that these efforts, coupled with a focus on demonstrating a high degree of person-organization fit during recruitment through GRS, could enhance the credibility of green claims, boost employee satisfaction, and improve retention.

## 2 Sammendrag

Denne oppgaven ser på persepsjonen av grønn organisatorisk identitet i norske oppstartsselskaper. Studien ser på hvordan en grønn identitet påvirker tiltrekning av ansatte, rekruttering og engasjement. Oppgaven avdekker en nyansert landskap der miljøbevissthet ikke lenger er et konkurransefortrinn, men heller en forventning fra både markedet og interessentene til en organisasjon.

Oppgaven ser på konsekvensene av grønnvasking, som fører til redusert tillit til grønne identiteter og gjør at det er vanskelig å verifisere slike påstander. Selv om grønne identiteter i betydelig grad påvirker oppfattet attraktivitet under rekrutteringsprosessen, er det en risiko for at det i stedet oppfattes som overfladisk eller falskt. Dette vektlegger oppfattet identitet fremfor konkrete miljøinitiativer.

Studien undersøker verdien av å ha grønn rekruttering som en strategi for å tiltrekke seg ansatte som har samsvarende grønne verdier som organisasjonen. Sosial identitetsteori viser hvordan grønn identitet har blitt en grunnleggende forventning i stedet for et konkurransefortrinn hos jobbsøkere.

Videre økte de ansattes motivasjon når de jobbet mot grønne mål, selv når det dreide seg om monotone oppgaver. Denne motivasjonen kommer fra tilfredsstillelsen av å forene personlige verdier med kollegers og organisasjonens verdier, og understreker behovet for en grønn bedriftskultur.

Tilfeller av moralsk lisensiering og kognitiv dissonans har også blitt avdekket, noe som viser at det er behov for en helhetlig tilnærming til bærekraft både i det profesjonelle og personlige livet. Oppgaven konkluderer med en anbefaling til organisasjoner om å oppfordre til grønne praksiser og legge strategier som også er integrert i de ansatte sine liv. Disse tiltakene, kombinert med å vise til en stor overensstemmelse mellom verdiene til kandidaten og organisasjonen, samt å legge inn grønne kriterier under seleksjon av ansatte, kan øke tilfredsheten til de ansatte.

# Preface

It is with great pleasure that I present this master's thesis that marks the end of my master's studies. During the process of writing this thesis, I have had the privilege of working with many individuals who have offered their support and guidance. I would like to take this opportunity to express my gratitude to those who have made this thesis possible.

First, I would like to thank my thesis counselor, Frode Heldal, for his guidance throughout this project. I would also like to extend my gratitude to Mara and Chiara from Università Cattolica del Sacro Cuore, who provided me with valuable insights and feedback on my research. Their willingness to share their time and expertise is greatly appreciated. The other master thesis involved in the collaboration between the two universities has been a great way to discuss, get feedback, and have support, thank you to Even, Haakon, Julia, and Lisa for the joint efforts.

I would also like to thank my family and friends for their unwavering support, love, and encouragement. My parents have been a great support throughout the entire process.

I hope that this thesis will contribute to the body of knowledge in this field and that it will serve as a useful resource for future researchers.

# Innholdsfortegnelse

<b>1</b>	<b>Abstract</b>	<b>i</b>
<b>2</b>	<b>Sammendrag</b>	<b>ii</b>
	<b>Preface</b>	<b>iii</b>
<b>3</b>	<b>Introduction</b>	<b>1</b>
3.1	Chapter summary . . . . .	2
<b>4</b>	<b>Theory</b>	<b>4</b>
4.1	The perception of identity . . . . .	4
4.1.1	Social Identity . . . . .	4
4.1.2	Signaling Theory . . . . .	5
4.1.3	Greenwashing . . . . .	7
4.1.4	Perception of organizational attractiveness . . . . .	8
4.1.5	Person-Organization fit . . . . .	9
4.1.6	Behavioral change related to environmental values . . . . .	10
4.2	What does it mean to be green? . . . . .	11
4.2.1	What is a green organization? . . . . .	11
4.2.2	Green Organizational identity . . . . .	12
4.2.3	Green Organizational Culture . . . . .	13
4.2.4	Green innovation . . . . .	14
4.2.5	Green HRM . . . . .	15
4.2.6	Green Recruitment and Selection . . . . .	16
4.3	Theoretical framework . . . . .	17
<b>5</b>	<b>Methodology</b>	<b>19</b>
5.1	Theme and research question . . . . .	19
5.1.1	Theme . . . . .	19
5.1.2	Research question . . . . .	20
5.2	Research design . . . . .	20
5.2.1	Case study . . . . .	21
5.2.2	Case Description . . . . .	22



5.3	Data collection . . . . .	23
5.3.1	Interviewguide . . . . .	23
5.3.2	Choice of informants . . . . .	24
5.3.3	Interviews . . . . .	24
5.3.4	Data analysis . . . . .	25
5.4	Quality of study . . . . .	26
5.4.1	Validity . . . . .	26
5.4.2	Realiability . . . . .	27
5.4.3	Generalizability . . . . .	28
5.5	Methodological limitations . . . . .	28
<b>6</b>	<b>Data</b>	<b>30</b>
6.1	The perception of green . . . . .	30
6.1.1	Hard to determine what is green . . . . .	30
6.1.2	A green organization is a multi-faceted concept . . . . .	31
6.1.3	”Everyone” is promoting themselves as being green . . . . .	33
6.2	Culture and practices in the case company . . . . .	34
6.2.1	Recruitment and selection . . . . .	34
6.2.2	How the recruitment process went . . . . .	35
6.2.3	Pro-environmental practices . . . . .	37
6.3	How green identity impacts the employees . . . . .	38
6.3.1	Working for a green company increases pride and moral satisfaction	38
6.3.2	Moral satisfaction . . . . .	39
6.3.3	Job satisfaction . . . . .	40
6.3.4	Shared values . . . . .	41
<b>7</b>	<b>Discussion</b>	<b>43</b>
7.1	The Dilemma of ”Going Green” . . . . .	43
7.1.1	Why do organizations want to be perceived as green? . . . . .	43
7.1.2	Signaling being green - How do organizations tell stakeholders that they are green? . . . . .	45
7.1.3	Receiving signals of being green . . . . .	46
7.1.4	Dishonest signaling - greenwashing . . . . .	47

7.1.5	Conclusion of segment . . . . .	49
7.2	Green Identity in Recruitment: Attracting Talent and Aligning Values from Both Perspectives . . . . .	50
7.2.1	Attracting environmentally conscious candidates . . . . .	50
7.2.2	Selecting the right candidates . . . . .	53
7.2.3	Green organizational identity’s impact on recruiting top talent . . .	54
7.2.4	Green Recruitment and Selection: Striking the Right Balance . . .	55
7.2.5	Conclusion of segment . . . . .	56
7.3	Empowering Employees through the Power of Green: Unleashing Purpose and Inner Strength” . . . . .	57
7.3.1	The role of purpose in employee engagement . . . . .	57
7.3.2	Discrepancies Between Professional and Personal Environmental Behavior . . . . .	58
7.3.3	Conclusion of Segment . . . . .	60
<b>8</b>	<b>Conclusion</b>	<b>61</b>
8.0.1	Further research . . . . .	63
<b>A</b>	<b>Appendix 1 - Interview Guide</b>	<b>I</b>

### 3 Introduction

In a time where global warming and other environmental challenges are continuously growing, it demands changes from all aspects of society, including organizations. Today, organizations are subject to stricter requirements to be environmentally conscious and reduce their ecological footprint. These demands arise not only from laws and regulations but increasingly from all company stakeholders, including customers, investors, employees, and partners. To meet this need, there is an increased focus on creating an organizational identity that demonstrates the company's alignment with the green transition, often referred to as "green organizational identity" (Y. Chen et al., 2022). An organization's identity can profoundly affect how it is perceived by various stakeholders. As society becomes increasingly aware of the importance of environmental sustainability, an organization's reputation as green or environmentally friendly could be a determinant of competitiveness.

To investigate the phenomenon of green organizational identity in-depth, I'll be discussing the following research question: *"How is green organizational identity perceived by employees in Norwegian startups?"*

The findings from this study will be relevant for management and strategic development in organizations. Due to the scope of the task, a limitation has been imposed by focusing solely on green organizational identity from the perspective of the employees in the organization, without looking at other stakeholders. As the green transition unfolds, there is a growing number of green innovations, particularly in startup companies, making it pertinent to explore in this study. Additionally, Norway is a leading nation in environmental and sustainability efforts. Previous studies have mainly focused on areas outside of Europe and the Nordic region, meaning this study will contribute valuable insights to the literature.

To investigate the phenomenon further, relevant theories will be used to gain insights into how a green identity can influence an organization and how an organization can create a competitive advantage by establishing a green identity. The thesis explores organizational behavior and, therefore, examines the organization as a product of the individuals working within it and how they influence the organization. To explain how individuals perceive this

phenomenon, the study is grounded in organizational theory and utilizes social theories, as they provide a better understanding of human behavior.

Through this study, I aim to better understand this dynamic and provide useful insights to startups in Norway and other regions that are looking to remain competitive in an increasingly environmentally-conscious market. The findings from this research will have practical implications for how organizations shape their identity and overall brand image in the context of sustainability, as well as for leaders aiming to create a green strategy and culture.

### **3.1 Chapter summary**

This thesis is structured as follows:

**3 - Theory** Building on the foundations of organizational theory and the resource-based view (RBV), this chapter explores the theoretical framework needed to understand the concept of green organizational identity and the associated concepts. The chapter will allow for a better context and understanding of the research question and aim to create a nuanced interpretation of the findings in the discussion. Further, the chapter introduces key social theories used as a theoretical framework to analyze the findings. These theories help understand how an organization's identity is perceived by its stakeholders, and how it can contribute to a competitive advantage.

### **4- Methodology**

This chapter describes the background of this study and how the research question was developed. It also provides an overview of the case used in the research. The chapter gives an overview of the data collection and the analysis that was done afterward.

### **5 - Data**

This chapter shows the empirical findings of the study. Results from the interviews are presented by focusing on key findings concerning how green identity impacts employees.

### **6 - Discussion**

This chapter discussed how green organizational identity impacts different aspects of the

company. First, the chapter discusses how organizations are perceived as being green. Then it discusses how green organizational identity impacts the perceived attractiveness of a company, especially in relation to a potential employer. Lastly, the chapter discusses how a green organizational identity impacts the employees of an organization, looking at culture, motivation, and employee behavior.

**7 - Conclusion** A summary of the key findings in the research is presented along with suggestions for further research.

## 4 Theory

In order to answer the research question; "How is green organizational identity perceived in Norwegian startups?", this chapter aims to provide an understanding of the theories which will be used in the later sections of the thesis. The theoretical chapter is divided into two parts. The first part presents the theoretical frameworks that will be used to discuss the research question. The second part focuses on theories related to the concept of a green organization and green organizational identity.

### 4.1 The perception of identity

In order to gain an understanding of how potential employees relate to an organization's green identity, this thesis looks to the field of psychology to understand how humans perceive green organizational identity by studying organizational behavior. To do this, social theories are deployed as a theoretical framework. These theories will be presented in this chapter and subsequently used in the discussion to interpret the empirical findings from the study.

#### 4.1.1 Social Identity

The Social Identity Theory (SIT), as pioneered by Tajfel and Turner in 1979, has played a large role in increasing our understanding of how individuals classify themselves and others into different social groups (Ashforth & Mael, 1989). SIT posits that a large part of how individuals perceive themselves comes from their membership in social groups. Social groups can be created based on factors such as organizational membership, religion, gender, and age (Ashforth & Mael, 1989). Being affiliated with a group can create a sense of belonging, and influence how we behave and perceive others.

The importance of SIT is shown through the context of organizations. An "organizational identity" can be constructed as a smaller part of the broader social identity (Ashforth & Mael, 1989). Employees, stakeholders, and consumers can relate their identity to an organization, making its values, culture, and missions a part of their own identity. Ashfort and Mael explain that this identity linkage contributes to loyalty and commitment to organizations.

A Green Organizational Identity (GOI) can be seen as an added "layer" to the identity. A GOI can be perceived as an organization's commitment towards sustainability and is perceived by how it portrays itself as well as its strategic choices. This green identity is increasingly important as consumers now consider not only the products or services of an organization, but also consider the green commitments of the organization, and how genuine they are.

Green organizational identity is related to social identity theory, as both are based on the idea of social identification, or feeling connected to a group. Halawi posits that organizational social responsibility positively affects green organizational identity, green adaptive ability, and new green product success (Halawi & Sleiman Zaraket, 2018).

Green organizational identity also plays a role in promoting environmentally friendly behaviors in organizations (Halawi & Sleiman Zaraket, 2018). The strength of an organization's green identity can determine the extent to which green HRM practices translate into actual green behavior among its employees.

Affiliating with an authentically green organization can bolster an individual's social identity, but it all depends on the perception of authenticity, credibility, and genuineness. If stakeholders perceive an organization's green identity as genuine, it can foster increased loyalty, pride, and trust. In contrast, if it is perceived as greenwashing, it can cause skepticism or antagonism (Lyon & Montgomery, 2013).

#### **4.1.2 Signaling Theory**

Signaling theory, a well-established concept in the field of economics and management, has increasingly gained relevance in the context of green organizational identity. The theory posits that entities communicate valuable information to their stakeholders through signals, which serve to bridge information asymmetries that might exist between the sender and the receiver (Connelly et al., 2011). Signaling theory shows how organizations can strategically communicate their commitment to being green through signals. These signals can be the adoption of environmentally friendly practices, the creation of more sustainable operations, or the undertaking of environmental certifications. Other attributes that are important to potential employees can be attributes such as culture, work environment, and values. These signals can assure stakeholders such as customers,

investors, and employees that the organization is dedicated to being green. Potential employees also use these signals to see if the organization fulfills their criteria for a potential employer (Speckemeier & Tsivrikos, 2022).

Information asymmetries arise when parties in a transaction possess unequal levels of knowledge about the underlying attributes or intentions of the other party (Connelly et al., 2011). Sometimes, information can be openly accessible, while in other cases, it remains confidential and limited to a chosen group, which increases information asymmetry. The parties use signals to bridge the information asymmetry in different situations.

Drawing on the principles of signaling theory, potential employees can strategically communicate their commitment to environmental sustainability through various signals to increase their probability of securing a position within a green organization (Connelly et al., 2011). Given the growing emphasis on environmental responsibility in today's business landscape, green companies are increasingly seeking candidates who not only possess the requisite skills and qualifications but also demonstrate genuine dedication to sustainability.

### **Receiving a Signal**

The effectiveness of signaling is influenced by the characteristics of the receiver (Connelly et al., 2011). Signals are only received when individuals actively seek them, and receiver attention refers to the extent to which someone is actively looking for a signal, particularly in the case of weak signals. Moreover, the interpretation of signals can vary depending on the receiver's characteristics and what they prioritize. Meaning that signals can be understood differently from the sender's intended message.

The perception of signals, especially green signals, can vary based on individuals' environmental beliefs and values (Speckemeier & Tsivrikos, 2022). Individuals with strong green values have higher expectations for organizations to demonstrate environmental responsibility and tend to be more skeptical of green signals compared to those with fewer green values.

In the context of potential employees, when exposed to limited information about an employer, they actively search for signals to form an impression of the company (Speckemeier & Tsivrikos, 2022). Recruitment advertisements play a significant role as a source



of information, and job seekers specifically look for green signals. Speckemeier suggests that the interpretation of a job advertisement becomes even more influential when the company's green identity aligns with the environmental attitudes of the job seekers. This implies that job seekers actively seek green signals and attach importance to them when evaluating potential employers.

### **4.1.3 Greenwashing**

Greenwashing is often referred to as a deceptive practice in which organizations portray themselves as more environmentally friendly or sustainable than they are. The term "greenwashing" was first introduced by Jay Westerveld in 1986 to describe deceptive practices in the hotel industry. Over the past decade, greenwashing has become increasingly relevant. Studies have consistently found that companies are not as green as they claim to be and that there are often economic motivations behind their green marketing efforts (Pimonenko et al., 2020; Speckemeier & Tsivrikos, 2022).

Greenwashing is closely tied to the perception of an organization (Speckemeier & Tsivrikos, 2022). An organization may seek to signal its green values to stakeholders, which can be done through symbols or marketing campaigns that portray the organization as environmentally friendly. Therefore, greenwashing can also be described as the phenomenon that occurs when there is a discrepancy between the marketing of green activities and how the organization is perceived by others. In other words, it refers to instances where an organization's green claims or actions are perceived as deceptive or exaggerated compared to the actual environmental impact or commitment of the organization. This perception gap can erode trust and credibility among stakeholders and undermine the effectiveness of sustainability initiatives.

As greenwashing has become a more prominent phenomenon, it has also heightened scrutiny regarding the truthfulness of organizations' green marketing (Speckemeier & Tsivrikos, 2022). When stakeholders experience false or insincere claims, it can cause them to lose trust in the brand or organization. This means that green marketing now carries a certain level of risk. Depending on the credibility a particular organization already possesses and the verifiability of its claims, marketing oneself as green can result in more negative consequences than positive ones.

#### 4.1.4 Perception of organizational attractiveness

Human Resource Management (HRM) can become an organization's competitive advantage if it succeeds in creating a valuable human capital pool (Wright & Dunford Scott A Snell, 2001). Being considered an attractive organization can therefore be seen as an important focus for green organizations. According to Bonaiuto, potential employees want to find a job where they share values, attitudes, and opinions with the employer (Bonaiuto et al., 2013).

The perception of an organization's environmental responsibility contributes significantly to its attractiveness (Pham & Paillé, 2020). An organization known for its strong green image and environmental responsibility not only gains community trust but also increases organizational green prestige, making employees proud of their affiliation. Pham explains that this pride enhances their self-esteem, identification with the organization, and self-concept, according to social identity theory.

Applicant attraction in recruitment largely depends on successful communication of the organization's socio-environmental values (Pham & Paillé, 2020). Including information in recruitment messages/advertisements or signaling these values on the company's website fosters a perception of a green reputation among job seekers. These signals enhance perceived value fit, anticipated pride, and job seekers' expectations of favorable treatment, contributing to a positive perception of organizational attractiveness. Consequently, it is worthwhile to signal green issues to attract prospective employees, although the effectiveness may vary depending on the signaling channel and job seekers' preferences.

The attractiveness of an organization is subject to the interpretation of job seekers, and therefore, reducing cognitive dissonance between employee preferences and citizen preferences becomes crucial (Pham & Paillé, 2020). A clear alignment of values can attract pro-environmental employees, enhancing person-organization fit, which subsequently facilitates job satisfaction and employee commitment, reducing the intention to quit. Pro-environmental attitudes act as a significant positive moderator in this context.

Organizational attractiveness plays an important role in the recruitment process. As job seekers search for new positions, they form perceptions of prospective employers based on limited information acquired during the application process (Speckemeier & Tsivrikos,

2022). These perceptions often influence their choice of whether to apply for a position within a particular organization or not. Job seekers, particularly those with a strong sense of environmental responsibility, prefer applying for positions in companies they perceive as environmentally conscious (Speckemeier & Tsivrikos, 2022). Companies with a high perceived green identity attracted more applications and saw an increase in actual hires. This highlights the influence of perceived organizational responsibility on organizational attractiveness.

The perception of an organization's identity also plays a significant role in determining its attractiveness (Speckemeier & Tsivrikos, 2022). Perception is influenced by factors such as industry stigma and personal values. For instance, millennials might find employment at a sustainable clothing company more appealing than a position within an oil company, simply due to the perceived negative environmental impact associated with the latter. Aligning organizational identity with communication is especially important, as misalignment can lead to discrepancies between the perceived and actual organizational identity, impacting the organization's attractiveness and, subsequently, job pursuit intentions.

However, it is important to consider that environmental attitude isn't the sole determinant of job pursuit intentions. Prospective applicants interpret the characteristics of an organization based on a range of individual expectations and values, commonly referred to as Person-Organization (P-O) fit (Speckemeier & Tsivrikos, 2022). This suggests that a more holistic approach, taking into account various aspects of an organization's image, culture, and values, is needed to successfully attract and retain top talents in the increasingly competitive job market.

#### **4.1.5 Person-Organization fit**

Person-Organization fit (P-O fit) is defined as "the compatibility between individuals and organizations, where at least one entity provides what the other needs or they share similar fundamental characteristics" (Kim, 2012). P-O fit can either occur when an organization meets an individual's needs or when the individual meets the needs of an organization. A high P-O fit can increase job satisfaction and job retention, highlighting the importance of compatibility between individuals and organizations (Kim, 2012).

When measuring P-O fit, a similarity in values between the person and the organization

shows the strongest effects on how committed a person is to the organization (Kristof-Brown et al., 2005). P-O fit is more about how well a person fits the organization as a whole, rather than their fit for the specific job and tasks they are assigned, this also applies to how likely they are to leave the organization, where P-O fit has a larger significance than job fit (Kristof-Brown et al., 2005).

#### **4.1.6 Behavioral change related to environmental values**

When someone holds two or more contradictory beliefs, ideas, or values at the same time, they can experience discomfort. This phenomenon is called cognitive dissonance. Festinger's cognitive dissonance theory postulates that this discomfort can trigger the use of one or more strategies to balance contradictory actions (Festinger, 1957). These strategies can include a change in behavior or trivializing the action to justify the action (Nilsson et al., 2017). For example, a person can experience cognitive dissonance if they have pro-environmental values while still performing actions that are harmful to the environment such as frequent flying.

If the individual chooses to change their behavior to reduce the dissonance from their contradictory actions, it can lead to them performing more environmentally friendly actions. Engaging in green activities has the potential to lead to a "spillover" of change in environmental behavior in other aspects as well. The spillover effect takes place when engaging in pro-environmental actions leads to an increased sense of pro-environmental self-identity (Nilsson et al., 2017). This is increased by being reminded of previous pro-environmental actions. Unfortunately, there are quite a few examples of negative spillover effects, for example, studies have shown that the presence of paper recycling increased the use of paper overall (Nilsson et al., 2017).

This can be explained by the concept of moral licensing, which is the tendency to think that doing something that is perceived as good, gives them "moral credit" to do something that is considered bad, which further reduces the moral obligation to continue with the positive behaviors, this interrupts the process of a positive spillover effect (Gholamzadehmir et al., 2019). People who engage in a good or moral action feel licensed to subsequently act less ethically or morally. For example, individuals who engage in pro-environmental behaviors may then feel justified in engaging in behaviors that are not

environmentally friendly. The same can be applied to the opposite behavior, where an individual might engage in pro-environmental behaviors to justify previous actions that were not environmentally friendly. Research indicates that the severity, frequency, cost, and behavioral domain of pro-environmental behaviors can influence licensing effects. For instance, moral licensing occurs only when the initial moral behavior is cost-free, and positive spillover effects are more likely for easy-to-change behaviors with fewer disadvantages. A person's tendency to be concerned about the natural environment is a moderator of licensing and cleansing effects.

## **4.2 What does it mean to be green?**

With an increasing amount of environmental standards that organizations have to abide by, the stakeholders have a larger interest in making sure an organization makes environmentally conscious decisions. Companies that are visibly harmful to the environment can receive massive criticism from the public, as the shift towards "green consumers" has become more apparent in recent years (Tahir et al., 2019).

### **4.2.1 What is a green organization?**

There is no universally accepted definition of what a green organization is. In literature, multiple terms are used to explain similar phenomena related to sustainability and the environment, for example, "sustainable business", and "responsible business". This also applies to other terms related to the concept of green, the words sustainable, eco-friendliness, or environment are often used interchangeably in literature related to these concepts.

One way to define a green organization is proposed by (Sulich A & Grudzinski A, 2019), who wrote that green organizations are characterized by implementing environmentally friendly practices in their operations. He identified three key aspects that distinguish green organizations. They aim to minimize their environmental footprint, green values are ingrained in the organizational culture and vision, and they foster green innovation to address climate challenges and achieve environmental sustainability goals. They prioritize not only a positive financial bottom line but also environmental and social objectives in order to succeed (Sulich A & Grudzinski A, 2019).

This aligns with the concept of the "Triple Bottom Line," which is an accounting framework designed to encourage businesses to focus on social and environmental factors, in addition to profitability (Elkington, 2008). By doing so, businesses can demonstrate their actual impact or cost on their surroundings. Thus, one way to define a green organization is as an organization that incorporates the triple bottom line approach.

Another way to define a green organization is by looking to Stuart Hart's Natural-Resource-Based View of organizations. Hart argues that due to the finite nature of natural resources, creating a business that limits emissions, considers the environment during product development, and practices sustainable development can lead to a competitive advantage, making it a green organization (Hart, 1995).

#### **4.2.2 Green Organizational identity**

Due to increased emphasis on sustainability and environmental concerns in organizational management in recent years, there has been significant attention on the concept of green organizations as a framework for understanding how businesses can adapt to the green shift (Y. Chen et al., 2022). An important aspect to consider in relation to the concept of green organizations is green organizational identity.

Organizational identity is a crucial aspect to examine in order to understand how green organizations operate and sheds light on how sustainability can be integrated within an organization. Organizational identity circumscribes an organization's self-concept and the perceptions held by its members and external stakeholders (Scott & Lane, 2000). This identity is shaped by the organization's values, beliefs, mission, culture, and image. Factors such as leadership, communication, and organizational learning can influence the development of organizational identity (Scott & Lane, 2000).

Organizational identity plays a vital role in the promotion of employee engagement and enhancing competitiveness (Scott & Lane, 2000). Scott and Lane indicate that employees with a strong sense of identity related to their profession and organization, are more likely to demonstrate commitment to their organization. Moreover, organizational identity can be utilized as a strategic tool for crafting a positive image and bolstering a company's competitive edge.

Green organizational identity is an extended concept of organizational identity that incorporates environmental sustainability. It is a critical factor in encouraging environmentally friendly behaviors and achieving environmental goals within an organization (Y. Chen et al., 2022). Chen (2011) defines green organizational identity as *"an interpretive scheme about environmental management and protection that members collectively construct to provide meaning to their behaviors"* (Y. S. Chen, 2011) and emphasizes the significance of green organizational identity as a critical factor in achieving environmental goals and encouraging environmentally responsible actions within an organization (Y. S. Chen, 2011).

According to Chen, green organizational identity has a significant influence on the thoughts and actions of members within an organization (Y. S. Chen, 2011). When an organization creates positive associations with the environment, it can lead to members actively seeking out environmentally related opportunities rather than perceiving environmental demands as a threat to the organization. By changing the behavior of employees, a competitive advantage that is difficult to imitate can be achieved. Symbols play a crucial role in building a green organizational identity and can include elements such as the logo, vision, or other aspects of the organization that contribute to employees' sense of identity with the company.

The impact of green organizational identity is particularly relevant in the context of small and medium-sized enterprises (SMEs). In SMEs, fostering a green organizational identity contributes to the promotion of green creativity (Y. S. Chen, 2011). Transformational green leadership significantly influences the development of green organizational identity within SMEs. Furthermore, green organizational identity mediates green transformational leadership and green creativity, while green thinking also plays a mediating role in this relationship. This suggests that a strong green organizational identity, facilitated by leadership and supported by environmentally conscious thinking, is crucial for stimulating innovative and creative solutions to environmental challenges within SMEs.

### **4.2.3 Green Organizational Culture**

Green organizational culture (GOC) plays a fundamental role in the direction and shaping of the environmental sustainability efforts of an organization. An organization's culture gives insight into how values, beliefs, and norms shape the behavior and identity of indi-

viduals within an organization. It encompasses shared beliefs, values, norms, symbols, and social stereotypes about environmental management within the organization (Aggarwal & Agarwala, 2021). According to Tahir (2019), organizational culture can be defined as "a pattern of shared basic assumptions learned by a group as it solves problems of external adaptation and internal integration, which have been deemed valid and are transmitted to new members as the correct way to perceive, think, and feel about those problems" (Tahir et al., 2019). In the context of sustainability, GOC entails establishing an organizational culture that aligns with the vision and requirements of operating in an environmentally sustainable manner (Aggarwal & Agarwala, 2021).

Recognizing the increasing significance of environmental issues in businesses, it becomes imperative to integrate sustainability into the culture. However, transforming organizational culture is a complex and challenging endeavor. Changing a culture can be a hard process, and may require transformative changes in the existing practices of the organization (Tahir et al., 2019).

By fostering a GOC, organizations can establish a framework that shapes employee perceptions and behaviors related to environmental sustainability (Norton et al., 2015). A shared belief in the importance of sustainability measures can influence employee pro-environmental behavior. This highlights the crucial role of GOC in promoting and reinforcing environmentally responsible actions throughout the organization.

#### **4.2.4 Green innovation**

With an increased focus on being environmentally friendly and sustainable, it has also brought a shift in how businesses formulate their strategies. Green innovation has gained more prominence as a term and is now a crucial component of sustainable business models.

Green innovation originates from the concept of "eco-innovation" introduced by Kemp and Pearson in 2007. Green innovation encompasses changes in products, processes, organizational structures, or alterations within organizations designed to mitigate environmental impacts (Kemp & Pearson, 2007). Such green innovations can contribute to environmental preservation while simultaneously advancing the organization's economic goals (Rennings, 2000).



Previously, innovations were primarily driven by economic incentives. However, as Schiederig et al. (2012) explain, increased emphasis on sustainability, stricter regulations, and a shift in consumer preferences have compelled organizations to reorient their innovation focus (Schiederig et al., 2012). While sustainability and environmental considerations may have once been perceived as additional costs, they are now integral to organizational strategies, offering potential competitive advantages.

De Marchi (2012) highlights challenges associated with green innovation and external cooperation. Striking a balance between sustainability and economic gain can lead to disagreements with investors and other stakeholders (De Marchi, 2012). Additionally, green innovation carries risks as it involves developing new technologies and entering new markets.

Therefore, green innovation is not merely a term that has gained popularity over time; it has become a vital tool for strategy formulation and competitiveness in contemporary organizations.

#### **4.2.5 Green HRM**

Green Human Resource Management (GHRM) focuses on making environmental protection a top priority in organizations. It involves including environmental activities in all areas of a company, especially when it comes to managing employees. The goal of GHRM is to link environmental efforts with how employees are managed, which can lead to better results in the hiring process for both the company and employees (Elfahli et al., 2022).

GHRM practices involve teaching green skills to employees, giving them opportunities to participate in environmental projects, motivating environmentally friendly employees, and evaluating their performance. However, many organizations don't use all GHRM practices, which may limit their success in improving environmental management. The main challenges include a lack of environmental knowledge in organizations, resistance from employees and managers, and not enough rules and support (Renwick et al., 2013).

Although GHRM research is still new, studies have shown that GHRM practices directly influence how employees view their green tasks and behaviors. GHRM practices can also lead to better environmental performance when employees are committed to the

environment and when green innovations are used. Therefore, promoting GHRM practices in companies is important for involving employees in environmentally friendly activities (Elfahli et al., 2022) (Renwick et al., 2013).

An organization's GHRM strategy and CSR can be seen as signals of its values and culture (Chaudhary, 2021). Potential employees perceive organizations with such practices as more positive employers, leading to increased organizational attractiveness.

#### **4.2.6 Green Recruitment and Selection**

Green Recruitment and Selection (GRS) is a part of Green Human Resource Management which increases focus on environmental protection in organizations (Elfahli et al., 2022). GRS is the process of identifying, evaluating, and validating a prospective employee's environmental values, aiming to align these with the organization's sustainability objectives (Pham & Paillé, 2020). This concept is important as organizations strive to create congruence between their environmental goals and their human capital strategies.

Saeed et al. suggest three fundamental aspects for effective green recruitment and selection; green awareness among candidates, green employer branding, and the use of green criteria for candidate evaluation (Saeed et al., 2019).

Green organizations are often perceived as more attractive and prestigious by potential employees (Chaudhary, 2018). This perception enhances the quantity and potentially the quality of the candidate pool, allowing the organizations to select from a broader pool of potential employees. Additionally, the green image projected by these organizations serves as a magnet for environmentally conscious candidates who are more likely to align with the organization's values and contribute to its environmental goals (Pham & Paillé, 2020).

However, the aspiration to recruit employees who have green values do not always translate into practice (Pham & Paillé, 2020). Few companies have been found to apply green criteria when assessing potential employees, indicating a discrepancy between the suggestions in theory and what is practiced. The identification of common methods to select candidates based on green criteria also presents a challenge, as organizations adopt unique evaluation techniques. Although certain firms may incorporate green-related questions into

their interviews, this does not necessarily translate into an evaluation based on the responses (Pham & Paillé, 2020). Saeed et al. recommend that organizations evaluate and select employees based on specific green criteria to reinforce the authenticity of their commitment to sustainability (Saeed et al., 2019).

Organizations should strive to attract candidates with demonstrated green values, employing tests to ensure this (Saeed et al., 2019). Green employer branding, a reflection of the organization's reputation in relation to environmental management, is a key attraction factor. Potential employees may perceive alignment between their personal values and the organization's through this branding, fostering a sense of pride in working for an environmentally responsible organization.

While there is still little literature on the selection process of GRS, these practices have the potential to significantly shape organizational culture, and therefore the success of sustainability goals (Saeed et al., 2019).

### **4.3 Theoretical framework**

Based on the Resource-Based View, I theorize that a Green Organizational Identity can be a unique resource that influences the employees' perception of the workplace and their behavior. This chapter has presented several theories that are essential for discussing the research question, "How is green organizational identity perceived by employees in Norwegian startups?". Social identity theory is employed to illustrate how individuals perceive identity, define their own identity, and relate it to an organization's identity. These theories can also be applied when discussing the "green" aspect of an organization's identity. By understanding how individuals perceive themselves in relation to an organization, a foundation is established for discussing and attempting to comprehend the empirical findings of the study.

Signaling theory is used to demonstrate how organizations and individuals communicate their own identity and how this communication influences the individual's perception of the organization through signals sent and received. Perception of an organization's green identity can influence an individual's behavior and choices regarding the environment. Phenomena such as moral licensing and spillover effects are employed to seek an understanding of how an organization's identity affects individuals' behavior.

This chapter has laid the groundwork for a deeper comprehension of how theories related to identity perception, organizational attractiveness, and behavioral change can contribute to addressing the research question. These theories form the basis for the analysis of empirical findings in the study.

## 5 Methodology

This chapter presents the research method used in this thesis. The purpose of the chapter is to show which choices were made during the research process and provide justifications for why these choices were made. The chapter explains how the topic and research questions were selected, followed by an introduction of the case company and a description of the research method used. Finally, an evaluation of the research method and a discussion of the limitations of the study are presented.

### 5.1 Theme and research question

This thesis is a collaboration between NTNU and Università Cattolica del Sacro Cuore. Supervisor, Frode Heldal, suggested the topic of green innovation and was interested in looking at startups. Based on my interest in the intersection of innovation and sustainability, I pursued this topic further. A collaborative group was established between the two universities, with two master's thesis groups from NTNU sharing a supervisor, and two master's thesis groups and two supervisors, Mara and Chiara, from Università Cattolica del Sacro Cuore.

#### 5.1.1 Theme

The group started by reviewing the general literature on green innovation. We distributed several articles among ourselves and had joint meetings to discuss the literature we had read. A literature search was conducted using keywords such as "green innovation, green organizational identity, organizational green culture, environmental organizational culture, green HR management, environmental leadership, employee pro-environmental behavior, green knowledge management, corporate sustainable development", etc., to create a structure around the broad concept of green innovation.

The findings from the literature search revealed that most articles focused on factors that influenced green innovation rather than green innovation itself. Additionally, most studies were quantitative, so the group decided to conduct qualitative studies to contribute to the research field. The factors that were often highlighted as influencing green innovation were green organizational identity (Y. S. Chen, 2011) and green knowledge management. Additionally, many studies focused on manufacturing businesses in Asia. Therefore, it was

of interest to examine small or medium-sized enterprises in Europe to see if the findings from previous studies also applied in other countries.

Based on the literature search, the various master theses focused on different themes of what was uncovered as a literature gap. I chose to focus on the green organizational identity. After a narrower literature search, I found that there is little research on green organizational identity in small businesses, and decided to move forward with this topic.

### **5.1.2 Research question**

The research question was iterated through the research process. It began with an interest in exploring how startups are affected by green organizational identity. After gathering empirical data, the research question was refined to focus on the perception of green organizational identity.

Based on the exploratory research question, it is appropriate to use a method that allows for an in-depth investigation of the phenomenon under study. There is limited literature on green recruitment and selection, and the research conducted focuses mainly on companies located in Asia and North America (Karimi Takalo et al., 2021). Additionally, the majority of the research conducted consists of quantitative studies on large production companies. Therefore, it was desirable to conduct a qualitative study to investigate how this phenomenon unfolds for small businesses in the Nordic and European regions.

## **5.2 Research design**

After developing the research question, a method was chosen. Since I wanted to find out more about how a company in Norway relates to an existing theory, an intensive approach was chosen to delve deeper into the topic. This type of study is a phenomenological study as it does not seek to create any new theory, but rather to further develop and provide deeper insight into existing theory (Jacobsen, 2022). In phenomenological studies, interviews are used to uncover subjective experiences and experiences that individuals have with the phenomenon being studied.

Additionally, a qualitative study was chosen because the research question is exploratory in nature, and in this study, I seek to understand how this phenomenon works (Jacobsen, 2022). It would have been difficult to answer the research question using quantitative data.

With an exploratory research question, the researcher assumes that information can be uncovered during the case study that is not described in existing literature. Therefore, using a quantitative method would be limiting, as it is the researcher who sets the agenda for the data to be collected, rather than learning from the interviewees.

Such studies are well suited for complex research questions where many factors may be at play (Jacobsen, 2022). The researcher wants to form a comprehensive picture of the phenomenon. The literature describes many factors that affect green innovation, green organizational identity, and green culture. Therefore, it was desirable to choose a method that allowed me to explore in a broad way and learn more as the study progressed.

### **5.2.1 Case study**

The research design in this study is inspired by the stepwise, deductive, inductive method by Tjora (Tjora, 2018). Following the general structure of a case study, the SDI model inspired the coding and analysis of the empirical data collected. The SDI model is a good fit for this study as it is used for exploring phenomena.

A case study approach has been selected as the research design to achieve the desired depth of the research question. In a case study, the researcher focuses on one or more cases to understand the phenomenon deeper (Rashid et al., 2019). The results from this research can then be used as a basis for further comprehensive quantitative studies in the same area. A case study allows the researcher to collect large amounts of data on an instance of a phenomenon and uncover factors that may differ from literature to reality. To conduct a case study, a qualitative method was used, with semi-structured interviews as the data collection method.

The analysis units in this study are the employees of the start-up company. A total of 10 out of 12 employees were interviewed, of which 3 are in the company's management. Empirical data was collected using semi-structured interviews. Semi-structured interviews were chosen as the study was exploratory, and the interview style allows for questions to be modified as the researcher acquires more information about the phenomenon.

The chosen method allows for an in-depth understanding of the phenomenon under investigation and provides rich data on the perspectives of the employees in the startup

company. The use of semi-structured interviews enables the researcher to explore the complexities of the phenomenon and obtain detailed information about the green recruitment and selection practices in the company. Overall, the study's results will contribute to the field of green human resource management and provide insights for small businesses in the Nordic and European regions.

There are various types of case studies depending on the context one wants to study a phenomenon. I have chosen to use a descriptive case study, which is employed to describe a phenomenon and its real-life context (Priya, 2021).

A common challenge with case studies is that researchers often attempt to cover too many aspects of a phenomenon, so it is important to try to narrow down the study and determine the specific context in which the phenomenon will be examined before initiating the study (Rashid et al., 2019). In this research, it was decided to investigate the phenomenon of green organizational identity in the context of startup companies in Norway.

### **5.2.2 Case Description**

*To anonymize the company and informants in this study, a fictional name has been created, and the industry and products have been changed in this description.*

Case Company AS. is a Norwegian technology startup that is 3 years old. The company has 12 employees, and the majority of them are under 30 years old, making it a very young team. Case Company AS. develops software solutions targeted at the financial industry, helping businesses with sustainability reporting. Their product is a multi-sided SaaS platform for sustainability reporting which is sold internationally.

Due to the company's relatively small size, recruitment has primarily been conducted through micro-recruiting, with a significant portion of employees coming from the same university. Additionally, all employees hold ownership stakes in the company. Nearly every employee is under 30 years old, making it a very young company.

Being perceived as a green company is a big part of the company, and is the main focus of their marketing and external communication. This is also a big focus of their recruitment, where alignment with their green values is crucial.



## 5.3 Data collection

The empirical research of this thesis is based on interviews with employees of a Norwegian startup company. This chapter will describe the methodology and the analysis process.

### 5.3.1 Interviewguide

Although the interviews were semi-structured, an interview guide with a set of pre-defined questions was prepared based on the literature search and research question. These questions served as a "question bank," with questions being selected based on the course of the interview. If the interviewee led the conversation in a particular direction, questions that did not exist in the interview guide were asked to understand more about green organizational identity. The same was applied when interviewing the founders of the company, because they were not recruited or hired themselves, the questions were more focused on how they recruited others. The full interview guide can be found in Appendix 1.

The interviews began with a few introductory questions. As this thesis covers some topics and concepts that are not widely known, informants were then asked to talk about how they perceived the concept of a green organization, using their definition as a starting point for answering the rest of the questions. The interview then delved deeper into how employees perceive various aspects of green organizational identity in relation to different aspects of working there and the recruitment process.

All participants were invited to a meeting lasting one hour for their interviews. The interviews began with an introduction to the study, how the interview would be conducted, and how their data would be used. Then the interview started with some simple questions as a warm-up before moving on to the main questions. Finally, the participants were thanked for their time and willingness to be interviewed. Since it cannot be assumed that the participants have knowledge of the literature on the subject, technical terms that could confuse them were avoided, and instead, there was a lot of focus on the term "green," which the participants defined themselves at the start of the interview. This approach allows for a closer examination of the participant's own experience of the phenomenon, rather than imposing prior assumptions about what they have perceived.

All interviews were recorded so that they could be transcribed later. During the inter-

view, notes were taken if the participants said anything that was perceived as particularly interesting. This also allowed for natural pauses in the interview, during which the interviewees were given extra time to think. This approach proved to be very beneficial, as it enabled the participants to provide more detailed responses in several situations.

### **5.3.2 Choice of informants**

As the case company is a small and newly established company, there were limited opportunities to conduct a random sample. All employees of the company were invited to the interviews, and at the time of the interviews, all except two employees agreed to participate. While the thesis was being written, the company hired two additional employees who were not offered the opportunity to participate in the study due to the time constraints of the thesis.

### **5.3.3 Interviews**

In this study, interviews were chosen as the method of data collection, and semi-structured in-depth interviews were conducted with employees of the case company. All interviews were held at the office of the case company, which allowed for personal contact with the informants, as well as observation of body language or other nonverbal communications. The interviews were conducted in February, providing ample time for data analysis before the deadline for submission of the thesis. Additionally, it allowed for the possibility of conducting further interviews or postponing some interviews if necessary. All interviews were conducted as scheduled.

Semi-structured in-depth interviews were chosen because they are well-suited for studying opinions, attitudes, and experiences (Tjora, 2017). In a semi-structured interview, several themes with main questions are defined, and the order of the themes and the addition or removal of questions can be changed depending on how the interview progresses. This allows for the discovery of aspects of the phenomenon that may not have been possible with a structured interview.

The decision was made not to use a structured interview guide as the study focused on a relatively unexplored area of research, namely green identity, and recruitment, with most existing studies focusing on empirical data from Asian and North American countries. A

structured interview guide could limit the ability to uncover new insights and observations that were not previously described in the literature. Instead, a semi-structured interview approach was chosen, allowing for flexibility to explore new topics that emerged during the interviews.

#### **5.3.4 Data analysis**

All the interviews were transcribed using Word's transcription function before being listened through and any transcription errors were corrected to ensure that all information was accurately reproduced.

As a result of the large amount of text generated from conducting in-depth interviews, there is a need to analyze and systematize the data obtained after the interviews have been transcribed. The transcribed interviews were read through multiple times, and quotes that were perceived as particularly interesting were highlighted. Subsequently, the transcribed interviews were coded using the software program NVivo. The data was coded without the use of theory so that existing literature did not influence the new findings. After coding all the transcribed interviews, there were 45 different codes. Some of these codes were combined after a new review.

#### **Coding and categorizing**

The methodology I employed to code and categorize the empirical data from the interviews follows an iterative and incremental approach. This process began by extracting the essence of the empirical material to reduce its volume while allowing for idea generation based on the details in the data. The approach is partly inspired by Tjora but is adapted to the timeframe and method used in this study. There were no iterations of interviews, but other key elements from his "SDI" methodology were used to increase the quality of the study (Tjora, 2018).

The initial phase involved open coding, where codes were constructed to closely align with participants' statements. I started without any pre-defined codes. As I went through the first document, I constructed codes based on its content. These codes then served as a foundation as I moved on to the next document, creating new codes where necessary. To ensure that this process remained grounded in the empirical material and avoided hasty

conclusions based on theory, all codes were derived from what was actually said in the interviews rather than trying to fit the statements into predetermined categories. This means that the codes directly reflected the participants' voices, rather than placing their statements into predetermined categories.

After this initial phase of open coding, the process shifted to grouping the codes into categories. Codes that did not fit into any of the created categories were placed in a residual category. These code groups, based on participants' actual statements, formed the main themes of the analysis. This approach to coding and categorization allowed for an organic exploration of the data, focusing on participants' own words and perceptions.

## **5.4 Quality of study**

In this chapter, an evaluation of the methods used in this thesis will be conducted. It is important to evaluate the study that has been carried out, as the quality of the research largely depends on the choices made during the thesis (Tjora, 2017). Tjora suggests using the three criteria of validity, reliability, and generalizability as indicators of the quality of a study. This review gives the reader the ability to evaluate the quality of the study due to the transparency of the research process.

### **5.4.1 Validity**

Validity concerns whether the research is able to answer the research question (Tjora, 2017). How valid are the answers produced by the research? In this study, qualitative in-depth interviews were used with a case study as a method. A quantitative method would not have been a good method to understand more about a phenomenon in this situation, due to the exploratory research question.

To increase the validity of a study, one can use multiple sources of information (Brink, n.d.). This is a weakness of this study, as only one source of information has been used. Ideally, qualitative and quantitative data collection would have been conducted, so that method triangulation could be used to gain the benefits of both qualitative and quantitative methods.

In addition to the use of multiple sources of information, another way to increase validity is to use member checks, where the informants are given the opportunity to review the

data and provide feedback on its accuracy and completeness (Tjora, 2018). This was not done in the current study but could be considered in future research building on this study.

Furthermore, the use of a semi-structured interview guide allowed for flexibility in the questioning and exploration of new topics, which could increase the validity of the data collected. However, the lack of a standardized guide may have resulted in some topics not being covered consistently across all interviews.

Overall, while the use of a single method and source of data may have limitations on the validity of the study, the use of a qualitative approach and a semi-structured interview guide allowed for an in-depth exploration of the research question and a deeper understanding of the phenomenon under study.

If one considers the purpose of the study as understanding the phenomenon in the chosen company case, the validity of this study can be considered high. This is because the interviews were conducted using an exploratory method.

#### **5.4.2 Reliability**

Reliability refers to the consistency, stability, and repeatability of the study. It concerns whether the method can be used to yield consistent results if the same method was to be applied to a different case (Brink, n.d.).

The problem of researcher bias is especially relevant in this thesis, due to the fact that the researcher works in the case company being used in the study. By having a good knowledge of the company from the beginning and knowing the employees, two problems in general arise. The first is that the data from the interviews can be impacted by the researcher. In this case, the fact that the informants knew the interviewer already could make them more comfortable during the interview and therefore share more information. On the other hand, it could cause the interviewer to lose objectivity and start seeing things from their perspective (Brink, n.d.). Another problem that surfaced was that the informants had a tendency to assume that the interviewer knew certain things about the company because they felt like they were talking to a colleague. Because I could not use my own experience with the company I had to be careful to ask follow-up questions in order to get

all the information necessary. Researcher bias may also come into play, meaning that the information is interpreted based on the researcher's own experiences with the company, focusing on what they find important, and ignoring other insights. Being aware of the potential researcher's bias can help reduce the effects of the bias overall.

The truthfulness of the informant's answers can also be of concern. Informants could alter their responses based on influencing factors such as answering what they think the researcher wants to hear, making things seem better or worse than they actually are, or withholding information that may be relevant (Brink, n.d.). In this particular case, informants could also fear the consequences of telling how they really perceive the company of one of their colleagues. Some viewpoints and critical views could have been lost because of this.

### **5.4.3 Generalizability**

Case studies generally have low generalizability (Tjora, 2017). This is because they investigate a single instance and do not provide a basis for knowing whether the findings apply to other units. Multiple case studies would have greater generalizability since they investigate the same phenomenon across multiple instances. By only examining a single instance, there is a risk that the case being studied is an atypical example. Qualitative studies, however, are a good method for generalizing theory developed through quantitative studies.

## **5.5 Methodological limitations**

Perhaps the most significant limitation of this study is the limited timeline, with approximately 5 months to conduct the research and write the master's thesis. This has placed significant constraints on the choice of methods and the scope of the study.

Additionally, there has been only one researcher involved in this study. This limitation has resulted in a lack of a "second pair of eyes" on both the empirical data and the discussion, and it could have increased the reliability of the study by reducing individual researcher bias.

Conducting a multiple case study instead of focusing on a single case could have also enhanced the quality of this research. It would have increased generalizability by exam-

ining whether the same findings apply to multiple instances of organizations. It would have been desirable to explore not only more startups in Norway but also companies of different sizes in various sectors if capacity had been allowed.

Finally, using multiple methods for data collection would have been desirable. This could have included surveys, observations, or focus group interviews. The addition of a quantitative method, in particular, could have enabled design triangulation, thereby enhancing the quality of the study.

## 6 Data

This chapter will present empirical findings that have emerged from the study. During this study 10 in-depth interviews with participants from the case company, including both management and regular employees was conducted. 10 out of 12 employees were interviewed. To ensure anonymity, all participants will be referred to as "him". Throughout the interviews, several interesting findings emerged, and in this chapter, The main findings that emerged from the data analysis, following the interviews are presented in this chapter. In order to present the findings in the most organized manner possible, the empirical chapter is divided into three main sections based on the findings, with 3-4 subsections each. Together with the theoretical framework, the empirical data will form the basis for the discussion chapter that follows.

### 6.1 The perception of green

#### 6.1.1 Hard to determine what is green

Employees repeatedly emphasized the difficulty of determining what is genuinely green due to varying definitions of what constitutes a green company. The employees explained that being green is such a vast and undefined concept that it can be challenging to discuss. They felt like the environment encompasses everything that they do in our daily lives, making it difficult to determine whether a company is truly green or not. Some employees found it hard to talk about the green concept without being presented with a definition first, unsure if they knew the "correct" definition, while others were very confident about what it means to be green. It was mentioned several times that being green cannot be viewed as a fixed state but rather as a scale from "brown" to green. One employee also pointed out the importance of defining the perspective from which green is viewed: is an organization green as long as it is greener than the "brownier" company, or is it "brown" as long as it is less green than the greenest company?

"It's difficult to define what is green and what is not, and I understand that there is no good definition for it, but that's what makes it difficult to talk about all things. What is a green business? I really like structure, and that's where the taxonomy comes in handy. Because then, at least financially, it's very clear, this is green and this is brown." - Subject 1



One of the reasons that it is hard to determine what is green could be challenges in verifying corporate claims in the absence of transparent data. It was highlighted that the lack of transparent data also makes it difficult to challenge organizations' claims of being green, as it is challenging to contradict them, resulting in a situation where it becomes a matter of their word against others. This perception led many consumers to choose to believe what companies say.

The employees cited that The European Union (EU) taxonomy is a promising solution to this challenge, as it requires actors to report on their sustainability performance. The EU taxonomy provides a classification system that helps to define environmentally sustainable economic activities, thereby establishing a standardized framework for assessing and comparing corporate sustainability efforts. This common ground can improve transparency and facilitate more informed decision-making by employees, investors, and other stakeholders.

"I think it is primarily about having some form of a third party that can hold companies accountable for the goal they promote. That is, they are transparent with figures that are relevant to actually checking whether they are in accordance with what one would define as green. As it is now, it's largely based on trust, really." - Subject 9

### **6.1.2 A green organization is a multi-faceted concept**

Multiple employees stated that it is easiest to identify a green organization when they offer a clearly green product. When asked to give an example of what they thought of as a green company, examples that were given were companies like IKEA, Patagonia, and Tise which all heavily promote green initiatives. In contrast, another employee mentioned how problematic it is that clothing brands can label their products as sustainable, despite the fact that large-scale clothing production is inherently unsustainable.

However, it was also emphasized that having a green product alone is not sufficient, as the company could still engage in environmentally harmful practices internally, such as frequent air travel. The participants repeatedly stressed that a truly green organization should not only have a green product but also incorporate green practices and foster a green culture internally.

”If we had been much less aware of it and just ignored sustainability altogether, then I think we wouldn’t have been a green company, even though we have a green product. Then it’s more of a business case for the green aspect rather than being a green company in itself.” - Subject 1

Multiple subjects told that they view corporate sustainability as a multifaceted concept that extends beyond the mere offering of a green product. In their opinion, a truly green company should also demonstrate a commitment to environmentally responsible practices in all aspects of its operations, as well as cultivate a green culture that encourages employees to embrace sustainability in both their professional and personal lives. On another hand, several employees associated sustainability with reducing consumption, suggesting that a truly green company, would be one that does not exist.

Many employees explained that they are aware that having a green perception can also be a business strategy, and it could stem from a desire to make money, not necessarily a genuine intention to be green itself. Therefore, it was emphasized that a company must have more than just a green product to be defined as a green organization.

”That it’s ingrained in the soul of the business, not just in the business plan, but that one actually contributes in some way to reducing CO2 emissions and working towards a sustainable future. Then one can discuss what that means, but that those who work there also have faith in it.” - Subject 4

For the employees, having a green culture not only meant shared values but also implementing organizational measures that facilitate and improve the company’s procedures and choices. This includes promoting choices that are better for the environment and focusing on sustainability. They expressed that sustainability should be an integral part of everything the company does and the interviewees would not consider a company that only offers a green product to be a truly green organization.

Although the company for which they worked did not have specific environmental initiatives or a green strategy, all interviewees described it as a green organization because the green vision was present in everything they did. If the company held social gatherings, vegetarian food would be served, and such actions were taken for granted, not something that required discussion. It was also mentioned that since everyone shared similar values,

topics related to sustainability and the environment were frequently discussed, and there was a high level of acceptance for both championing environmental issues and challenging others to be more environmentally conscious.

### **6.1.3 "Everyone" is promoting themselves as being green**

Numerous employees emphasized the prevalent issue of greenwashing in the Norwegian corporate sector, saying that while sustainability is widely promoted, companies rarely follow up on their promise to implement green measures as promised.

Many interviewees mentioned that they could hardly think of any companies that do not market themselves as green today. Even if they operate in industries such as technology, they always have an angle on why they are environmentally friendly. "If you are a company in Norway today, you have the environment on your agenda," one respondent said. The same employee felt that it was something companies just claimed because everyone has it on their agenda nowadays. Although they perceive that all companies have the environment on their agenda, they do not consider this agenda to be entirely honest, and they have little trust in companies actually implementing what they communicate they are doing.

One employee pointed out that even if companies do not always keep their promises regarding the environment, it still has a positive effect in that companies and customers can push each other to be environmentally friendly. The employee explained that when companies perceive that everyone else has the environment on their agenda, it may lead to more businesses implementing eco-friendly initiatives. Although not all promises might be fully kept, it would still be more positive than if no one did anything at all.

"I think that the perception of what is green is often very different from reality. Patagonia is a great example because, yes, they obviously have sustainability on the agenda. I believe that, but they are also a major producer of textiles, which is one of the most resource-intensive industries when it comes to the climate. Perception and reality are two completely different things, the greenest company is kind of a company that does not exist." - Subject 3

"I feel that people are trying to hide behind it and that it is a good sales

argument. Being green is in fashion, so I feel that maybe it's a bit misused and that there are a lot of different interpretations of what it means to be green, it can be so many things. It is like Statoil, they are trying to show that they are involved in green initiatives, but everyone knows that they are not really doing it." - Subject 10

When interview participants were asked how to identify a green organization, several mentioned the company's branding and marketing. They repeatedly pointed out that there is a strong correlation with greenwashing, and one cannot be certain that a company's promotions accurately reflect its actions. As consumers, they found it challenging to fact-check whether organizations actually do what they promote, which can lead to some organizations being perceived as greener than they actually are.

Several interviewees also mentioned that consumers might not care much about whether an organization is genuinely green, as long as it is portrayed as such. The fact that "everyone" has environmental concerns on their agenda creates pressure on consumers to make green choices, or at least choices perceived as green. The public image of an organization's environmental commitment can hold significant weight in consumers' decision-making processes, regardless of whether the company's actions genuinely align with its green image.

## **6.2 Culture and practices in the case company**

### **6.2.1 Recruitment and selection**

The management explained that, as a small and young company, they have not had a highly structured recruitment process. Nevertheless, there was a strong focus on finding the right people, which they said was crucial for the company's culture. Several emphasized the importance of seeking candidates who believe in and have the drive to work toward the company's vision. Although they did not create specific evaluation criteria to assess the green values of potential candidates, both management and employees agreed that the company has a green culture.

"I wouldn't say that it's something we explicitly have any questions about, but it's a lot about looking at the response and the feeling we get in the

recruitment process, like do you connect with this vision? It is a very central part of the recruitment process to try to understand who people are.” - Subject 2

”If you’re not excited to be a part of this journey and roll up your sleeves to give that little extra to make this happen, then you’re not right for the position. And if you don’t have that mindset, if you hate sustainability, why should you believe in this vision? (...) So yes, it is a requirement. We also have our values, which are a crucial part of the recruitment process. ” - Subject 2

Management believed that this green culture may have arisen from the strong focus on believing in the company vision. As the company’s vision revolves around creating a sustainable future, they have attracted applicants who specifically apply to the company because of this vision. Several employees stated that they would not have applied or chosen to join the company if it did not have a green vision.

”I don’t necessarily feel that it is a majority of the applicants that cares about the green aspect, but those who first apply because of the green, they really focus on it.” - Subject 1

”When we advertised the position, we emphasized the environmental aspect in the ad, so I think for most of the candidates who made it through the interviews, it was pretty clear that the main reason they wanted to work here was that they thought the environmental aspect sounded really cool.” - Subject 5

### **6.2.2 How the recruitment process went**

Management also acknowledges that to achieve their goals and create the desired culture, recruiting the right talent is a crucial priority for the company. By carefully considering both the professional skills and environmental attitudes of potential candidates, the employees felt that it would create a strong and dedicated team that would help fulfill.

The leaders explained that during the recruitment process, they focused on hiring people who shared the same attitude toward sustainability as the rest of the company. They explained that they would not hire someone with negative attitudes towards sustainability.

To achieve this, the emphasis on values has been central throughout the recruitment process.

Candidates were not asked questions directly related to their values; instead, decisions were made based on the impression left after the recruitment process. The informants explained that since the environment was a significant part of the job advertisement and the environmentally focused case of the business idea was presented and integrated throughout the entire process, they felt confident about the candidates' attitudes toward sustainability.

” But we don't have direct questions like, ”how do you position yourself on that scale?”, but you quickly notice if people care or not, you know, when you talk about the case in a way because if we have an introduction that's about sustainability, and then you notice that people don't talk about it at all or never mention that it matters, then you can get an indication of that.”

- Subject 1

”I wouldn't say that we have any explicit questions related to that, but it's very much about looking at the response and the feeling we get in the recruitment process, like, are you enthusiastic about this vision? It's a very central part of the recruitment process to try to understand who people are.” - Subject 2

To determine whether a candidate possesses the right values, the company used an approach to present the business case and observe how the candidates responded to it. If the candidates showed enthusiasm and a clear engagement with the case, the company could be more confident that the person had positive attitudes towards the environment. This method allowed them to gauge the level of commitment and passion a candidate might bring to the company's sustainability goals and green culture.

The employees acknowledged that one reason many candidates had positive attitudes towards the environment and green values was that the company recruited during its early-stage startup phase. They believed that there were not as many applicants motivated by money during this time, in part because the company could not offer competitive salaries. Instead, employees were offered equity in the company, which reinforced the need for them to be motivated to make the company successful.

The company has also been careful not to promote its green credentials too much. The rationale for this was that promoting overly rigid environmentally friendly practices could deter candidates who were not as positively inclined toward the environment. Suppose the candidates got the impression that there was a culture that demanded employees adhere to very strict environmental practices. In that case, they might be reluctant to accept a position within the company. These individuals might not necessarily have negative attitudes towards the environment but perhaps have not given up eating meat or limited their consumption. Such individuals could still be highly motivated to contribute to a green transition.

”I can also imagine that it could be negative for people who have completely different attitudes. I mean, there might be really good developers, for example, who just think that the whole green stuff is a bit like, ugh, why should we care about the green things? I just want to code. Then it could well be a disruptive factor, but then the question is, are those the ones we want to have?” - Subject 1

An interesting dilemma that was raised is the choice faced from a recruitment perspective. On one hand, you could hire someone who is incredibly skilled at the tasks they are supposed to perform but may not necessarily have a very positive attitude towards the environment. This person has the potential to help the company achieve its goal of making the industry more sustainable, and more quickly. On the other hand, you could hire someone with a very positive attitude towards the environment, but may not be as strong in their professional skills. An employee discussed which of these two personas would ultimately contribute more to a sustainable transition, which is the ultimate goal of the company. Another point raised was that a person with positive environmental attitudes would contribute more to a green culture, while a person with negative environmental attitudes could potentially damage the green culture.

### **6.2.3 Pro-environmental practices**

At the same time, several people reported being vegetarian or making efforts to reduce their consumption, and there appears to be considerable acceptance for those who pursue such lifestyles, even if not all employees adhere to them. This observation suggests that

a supportive and inclusive organizational culture may be present, but it has not yet been harnessed to foster sustainable practices across all aspects of employees' lives.

"I notice that it means much more to me now after I started at the company than before. Because now I have become more aware that we are trying to solve this, and it is a case we are trying to tackle, and then it also makes sense to care more about it. So I feel like I have become much more aware of the environment and the green transition after I started at the company."

- Subject 1

## **6.3 How green identity impacts the employees**

### **6.3.1 Working for a green company increases pride and moral satisfaction**

Employees expressed that working in a green organization provided a sense of pride and motivation.

"It feels good to work for a green company rather than the oil industry" -  
Subject 10

Even though this did not significantly impact their daily work experience, they emphasized the importance of perception.

"It feels important. And whether it is important or just an illusion, it doesn't matter much because it feels that way, perception is everything." - Subject 3

The employees said that while shared values evoked a sense of pride, they simultaneously provided a sense of security, reassuring them that they had chosen the right workplace. This also made them confident that future employees joining the organization would possess the same values, and it instilled a strong belief in the team's success.

Since many of the employees possess green values themselves and consider themselves environmentally conscious individuals, they take pride in the fact that their company addresses issues they deeply care about. They explained that if the company did not uphold green values, it would not have been an option for them to work there. They felt that they had a positive impact on working in a green organization.



”(...) personally? It gives me a lot of motivation. And it gives me a good conscience, too” - Subject 7

When asked about their feelings towards the company’s values, they expressed contentment and a sense of pride in being a part of such an organization. Working in a green culture affected their job satisfaction.

”(..) it might make you pat yourself on the back a little, thinking you are doing the best you can.” - Subject 9

They noted the importance of continuous innovation in reducing the negative impact of certain industries but also shared that they would not feel comfortable working in a sector that directly contributed to environmental degradation.

”If I knew I had a job where I contributed to a negative development, I don’t think it would have been a good feeling.” - Subject 5

In summary, the interviewees generally expressed a sense of moral satisfaction and pride in working for a green organization, although some acknowledged that this feeling did not necessarily permeate all aspects of their daily work experience.

### **6.3.2 Moral satisfaction**

Employees also indicated that working for a company with the potential to make a significant impact on the construction industry, and consequently reduce CO2 emissions, gave them a sense of moral satisfaction. This perception seemed to lessen the pressure on them to adopt environmentally friendly practices in their personal lives, as their professional efforts were believed to have a much more substantial effect. Several employees admitted to behaviors such as flying multiple times a year and consuming meat, yet still considered themselves environmentally conscious due to the direct influence their work has on the environment.

”It gives a good feeling. And at the same time, I believe that it is not necessarily more important to me personally than to anyone else. It can be something that is perceived as an alibi. (...) It means that it feels good, but if you think about all the details and actually go into it personally and how it feels to work in a company, you can be proud of it. It feels good. It can feel like you’re

doing something right, and not just a little bit, but 100%. Let us say that it has been thoroughly worked out on a personal level.” - Subject 8

”But I think that even if I become a vegetarian for a million years, it doesn’t matter compared to if we can accomplish this thing, because that’s where we can really make a difference.” - Subject 5

### **6.3.3 Job satisfaction**

Many employees expressed that working on environmental issues increased their job satisfaction. For some, the lack of a green culture at previous workplaces had been a decisive factor in their decision to leave those jobs. Several mentioned that the company’s environmental focus was a key reason for joining the organization. Although the environment was not cited as the most significant factor influencing job satisfaction, it provided that ”extra something” for employees to work towards, giving them a sense of contributing to a cause greater than themselves. Even though tasks could be mundane and repetitive at times, the opportunity to contribute to the green transition served as a source of motivation.

”And the satisfaction increases a lot by contributing positively to the environment or climate issues. Compared to my previous employer, it was a big problem that it wasn’t there. And the motivation also became much stronger when I changed jobs.” - Subject 7

A common sentiment among employees was that working for a company with a negative environmental impact would drastically lower their job satisfaction. Many stated that they could not envision themselves working for an oil company or in the clothing industry. This highlights the importance of a company’s environmental focus in attracting and retaining employees, as it can significantly influence their overall job satisfaction and commitment to the organization.

”It’s not as black and white as saying that the industry is bad, because there’s always a way to innovate to reduce the negative impact something has. But if I knew that I had a job where I contributed to a negative development, it wouldn’t have been a good feeling, I don’t think. I think it would have affected

my conscience if I was fully aware that it was a direct negative impact.” -  
Subject 9

#### 6.3.4 Shared values

A recurring theme among the interviewees is the significance of shared values in fostering a positive work environment and driving the organization’s green initiatives. As subject 4 states, *”I enjoy being with good colleagues...that we share the same values and are kind of alike.”* - Subject 4 This sentiment is echoed by subject 5, who credits the strength of the team to their shared values, saying, *”So, what forms the foundation of why the team is so good, is that we share many of the same values.”* - Subject 5

Another common thread among the responses is the employee’s sense of purpose in their work. Although some tasks may not be particularly enjoyable, their commitment to the organization’s green goals is what keeps the employees motivated.

”I have a lot of work tasks that I find boring, but it doesn’t really matter because I see the direct value of some of those tasks in the long run.” - Subject 1

The willingness to challenge the status quo and push for change in the industry is another key theme that emerges from the interviews.

”We must dare to ask stupid questions, we must dare to challenge things that have existed in the industry for a long time. We must dare face resistance.” -  
Subject 2

This determination to be a driving force for change aligns with descriptions of the team as *”A breath of fresh air into a heavy industry.”* - Subject 3

Furthermore, the interviews reveal a strong sense of pride among employees about the organization’s green identity.

”It makes me very proud, and it makes me feel very secure that I am in the right place, simply because I stand very much behind the values of everyone who has joined here.” - Subject 5

The results of the interview emphasize the importance of shared values, a sense of pur-

pose, and a willingness to challenge the status quo in creating a green organizational culture. These factors contribute to a strong sense of belonging and pride among employees, fostering a supportive environment that drives the organization's green objectives.

## 7 Discussion

This chapter discusses the research question using empirical data from the interviews, and relevant theory presented in the theory chapter. To answer the research question, I have divided the discussion into three parts. First, I will discuss how green identity impacts stakeholders and potential employees of an organization. Second, I will discuss how green identity impacts the recruitment process, lastly, I will discuss how green identity impacts an organization's employees.

### 7.1 The Dilemma of "Going Green"

Stakeholder theory posits that organizations should not only prioritize maximizing shareholder value, but also consider the interests of other stakeholders, including investors, employees, and customers (Freeman & McVea, 2005). In recent years, as environmental awareness and concerns have gained momentum, stakeholders have increasingly demanded organizations demonstrate their commitment to sustainability and environmental responsibility. Consequently, investors and consumers alike are beginning to favor environmentally conscious organizations over those that are not.

An informant pointed out that although it is often emphasized that there is a dilemma for companies between prioritizing sustainability or economics, he did not believe that this was the real dilemma. In his view, the real dilemma was whether the company could afford not to be green. The negative consequences of not having a green organizational identity could generate greater costs than implementing measures to become greener. This dilemma can result in organizations taking the "easy way out", meaning that they actively promote being green, or at least greener than they may actually be.

#### 7.1.1 Why do organizations want to be perceived as green?

The perception of an organization as environmentally responsible can confer numerous benefits. Enhancing a company's reputation among stakeholders is one of the primary motivations for establishing a green image. With investors and shareholders placing greater emphasis on environmental, social, and governance (ESG) factors when making investment decisions, organizations perceived as green may have a competitive advantage in attracting capital and gaining market share (Friede et al., 2015). A robust reputation

for environmental responsibility can attract investments from socially and environmentally responsible funds and investors, which can potentially lead to improvements in a company's financial performance. By appealing to these investors, organizations that are considered environmentally conscious may enjoy increased access to capital, lower capital costs, and enhanced market valuation. In this way, the perception of an organization as a responsible steward of the environment can have tangible and positive impacts on its financial performance (Friede et al., 2015).

A strong reputation for environmental responsibility can also help attract and retain top talent. (Chaudhary, 2018) Companies that are perceived as environmentally responsible are likely to be more attractive to highly qualified candidates, as they are seen as responsible and forward-thinking employers. This can result in a more competitive and high-performing workforce, which can be a significant advantage. With an increasing number of people becoming more environmentally conscious and concerned about climate change, they prefer to work for organizations that share their values and prioritize sustainable practices. This provides employees with the opportunity to contribute to a greater cause and derive a sense of purpose from their work.

Several of the interviewees pointed out that implementing environmentally friendly practices or promoting themselves as a green organization has significant strategic advantages. A green identity has the potential to attract more customers, employees, and investors. Additionally, many companies view it as advantageous to collaborate with green partners. During the interviews, it was highlighted that using a supplier who is very clearly green could also help to create a green image for the company using them, thus serving as a kind of "band-aid" to hide the fact that the company does not actually have any green practices.

In the midst of increasing market competition, organizations are recognizing the importance of being perceived as environmentally responsible. By demonstrating a commitment to environmental sustainability, organizations can appeal to a growing number of environmentally conscious consumers and stakeholders, thus improving their reputation and competitiveness. Additionally, being perceived as environmentally responsible can help attract and retain top talent, as well as attract investment from socially responsible investors. Hence, environmental responsibility is becoming a crucial factor for organizations

to remain competitive.

### **7.1.2 Signaling being green - How do organizations tell stakeholders that they are green?**

Signaling theory posits that organizations can use signals to communicate being green to their stakeholders, in order to satisfy their demands and expectations of being green (Connelly et al., 2011). Due to the lack of knowledge and publicly available data, an information asymmetry is created in this situation, stakeholders must rely on signals to determine whether a company is green or not. Several of the informants explained that it is hard to determine if a company is actually green or not, as well as a lack of a common definition of the concept of what a green organization is. This indicates that there is an information gap between how green an organization is and how stakeholders perceive an organization. The organization can use signals as a strategy to change the perceptions of stakeholders in regard to how green an organization is.

To be trustworthy, strong, and thus effective, the signals from the organization should be hard to fake. This is especially important when a party is concerned about the intentions of the other party (Connelly et al., 2011). With greenwashing becoming a more apparent issue in recent years, stakeholders may have increased apprehension about whether organizations are telling the truth about being green or not, increasing the importance of choosing the right signals to communicate.

The case company explained that they try to incorporate their green identity in everything they communicate both publicly and internally. Their most used communication channels were their website, social media, investor pitch deck, and the implementation of some green practices, although no strategy was explicitly created to achieve a green culture. The company explained that the most important way to communicate being green was through its product and business case. Multiple informants said that they thought it was self-evident that they were a green company when people heard about their company because their entire value proposition is delivering products that help other companies be greener.

### 7.1.3 Receiving signals of being green

Despite the significant pressure to be green, consumers do not seem to trust that organizations that communicate green signals are green. Employees of the case company reasoned that it could be due to numerous examples of organizations in multiple industries that showed that they had false claims of being green. The way signals are perceived by individuals can vary depending on the receiver. Studies show that how a person receives and interprets green signals depends on their own environmental beliefs. Individuals with strong green values may have higher expectations for organizations to be green and are more skeptical of green signals compared to those with fewer green values (Speckemeier & Tsvirikos, 2022). This may explain why the employees in the case company have little trust in organizations that present themselves as green. If people who are less environmentally concerned are more easily accepting of green signals, being green can become a superficial concept. This somewhat contradicts signaling theory, which suggests that a signal should be difficult to fake in order to be high-quality signals. However, if the receivers of the signal do not really care about its authenticity, it becomes easy to signal that one is greener than one actually is. The emphasis on being green and the green transition, in general, can lead to a situation where "everyone" claims to be green, without being held accountable for the claims.

Additionally, there are few opportunities to verify whether organizations are keeping their promises, as there is little publicly available data on this. At the same time, it is difficult to define what is green. An example given during the interviews is that a company can claim that a product is 50% more environmentally friendly. This may seem to consumers as if the company has taken significant steps to increase the sustainability of the product. However, the story changes if one knows how environmentally friendly the product was initially. If it was only 1% environmentally friendly, now it is only 1.5% environmentally friendly. Because of this, it is difficult to assess what is environmentally friendly without having a good and impartial factual basis. This can lead to stakeholders relying solely on their perceptions of companies, rather than pushing them to fulfill their promises. Therefore, it seems as if it is enough to just tell consumers that a company is green, rather than actually implementing environmentally friendly practices.

Both the literature and the case study highlight the diverse perceptions of what it means



to be green. In one study, sustainable clothing brands are cited as an example of a green company, while an oil company is portrayed as non-green. It is interesting to examine the concept of greenness from different perspectives based on different starting points. If one considers a company to be green if it is greener than the worst possible company, it would be very easy to classify many organizations as green. The problem with this approach is that it becomes too easy to pat oneself on the back and believe that one is making a significant contribution without setting clear criteria for the magnitude of the difference. On the other hand, organizations can be evaluated based on how far they are from the "ideal" green company. However, this raises the question of what an ideal company would be, as most activities involve resource use and emissions that ultimately hurt the environment. Thus, one could argue that the greenest company is one that does not exist, as it would have no emissions or resource use. In practice, achieving such a state is not possible, but measuring a company's green impact based on how far it is from the "greenest" company could more effectively reveal its true level of greenness and impose higher standards on organizations seeking to market themselves as green.

The informants emphasized that the safest way to trust the green claims of a company was through regulations and certifications. The reason for this was that these frameworks clearly defined what green practices were and companies had to provide documentation to prove their compliance. The EU Taxonomy was highlighted as a good example of a trustworthy system, as companies that meet the taxonomy criteria are deemed to fulfill specific requirements, thus providing a strong and credible signal. However, a challenge with certifications and other green labels arises when there is a lack of transparent documentation or evidence behind them. It is difficult to know the specific requirements of certification and there are no limitations on who can create a green certification or label. For example, in 2022, the clothing giant Zalando received the Greenwashing Award from the Norwegian Consumer Council for its functionality to sort clothes by sustainability, even though mass clothing production is not sustainable at all (Framnes, 2022).

#### **7.1.4 Dishonest signaling - greenwashing**

Pressure from stakeholders to be or appear green can lead to greenwashing, where companies promote or implement more environmentally friendly practices than is actually true. This can erode trust in an organization's sustainability efforts and undermine the

credibility of legitimate environmentally responsible practices. Nevertheless, projecting a green image can differentiate companies from their competitors, particularly in industries where environmental issues are of great concern. In Norway, the interviewees perceived "all" companies as green or at least having sustainability on their agenda, including banks and consulting firms, which may be perceived as simply pasting sustainability sections on their websites to be accepted by stakeholders, rather than a genuine desire and initiative from the company itself (Pimonenko et al., 2020).

To explain why stakeholders are so interested in organizations being green, the interviewees pointed out that their generation is very concerned and cares a lot about the environment. The interviewees are recent graduates and have experienced a strong focus on the environment throughout their education. This could be one reason why their generation perceives the environment as very important. In combination with a great deal of focus on the environment in the news, politics, and regulatory requirements such as the EU taxonomy, this can make companies feel the pressure to be more environmentally conscious.

However, studies show that when companies are caught greenwashing, it has significant negative consequences for them. This was also demonstrated in the interviews, where several employees spoke of a weakened trust toward, for example, large clothing companies that have invested heavily in promoting themselves as green while, in reality, being responsible for significant emissions and poor working conditions. Therefore, there is a delicate balance for companies in terms of how much they should promote themselves as green. On one hand, not appearing green at all can have negative consequences for the company. Customers, employees, and investors expect companies to take a stand on the green shift, and if this is not actively promoted, it can be seen as negative. Therefore, companies may feel that they need to promote a green agenda to avoid negative consequences. However, it can have significant negative consequences for the company if they appear very green, but in reality, they are not. Although greenwashing was mainly considered negative by the interviewees, it was also noted that it could have some positive effects. This dilemma will hopefully encourage companies to both promote and implement green practices, which will help with the green shift.

Another motivation for greenwashing is to deflect attention from an organization's nega-

tive environmental impacts. Companies that face public criticism for their environmental practices may resort to creating an illusion of environmental commitment to mitigate reputational damage. This tactic is particularly prevalent among organizations operating in industries with significant environmental impacts, such as oil and gas, mining, and manufacturing. As such, the practice of greenwashing is a serious concern that undermines the legitimacy of legitimate environmentally responsible practices and requires increased scrutiny and transparency from companies. An informant used an example of a Norwegian oil company that frequently promotes sustainable activities, stating that while they focus a lot on their green initiatives, "everyone" knows that they are not really green.

### **7.1.5 Conclusion of segment**

The contemporary business landscape has seen a noticeable shift in stakeholder preferences, tilting towards organizations that demonstrate a commitment to environmental consciousness. This shift, however, engenders a multifaceted dilemma for businesses. While adopting green practices incurs costs and entails inherent risks, the potential ramifications of not embracing sustainability might prove far more perilous in the long run. This balancing act prompts a pivotal question: Can organizations truly afford the consequences of not aligning with a green organizational identity?

Yet, despite the increasing expectations for businesses to embody sustainability, a confluence of factors complicates the pursuit of a genuinely green image. The ambiguity surrounding the definition of "green" hinders standardized benchmarks for organizations to adhere to. Moreover, the dearth of comprehensive, transparent documentation perpetuates an information gap between organizations and stakeholders, undermining the foundation of trust. This prevailing uncertainty is further exacerbated by the proliferation of greenwashing, where the veracity of eco-friendly claims becomes questionable. In this context, the erosion of stakeholder trust in the face of weak or insincere green claims highlights an urgent need to foster a transparent and trustworthy green organizational identity.

The specter of greenwashing looms as a stark reminder of the perils associated with inauthentic portrayals of environmental responsibility. This underscores the imperative of effectively signaling an organization's true green incentives, beyond adopting surface-level

symbols. The importance of robust and difficult-to-fake signals gains prominence in this environment of heightened skepticism, where stakeholders demand genuine authenticity. An organization's capacity to establish a consistent and credible green identity, backed by concrete measures, stands as a testament to its dedication to environmental responsibility.

The evolution of business ethics toward sustainability has thrust organizations into a dilemma that hinges on striking a balance between economic viability and environmental consciousness. The volatility of stakeholder trust, the complexity of establishing genuine green signals, and the specter of greenwashing all interweave into this intricate narrative. The imperative for organizations to embody a green identity that is not only genuine but also verifiable is now more pressing than ever. As the trajectory of the business world continues to evolve, the pursuit of an authentic green organizational identity remains an essential facet of maintaining competitiveness, credibility, and the trust of stakeholders in an increasingly conscientious and discerning marketplace.

## **7.2 Green Identity in Recruitment: Attracting Talent and Aligning Values from Both Perspectives**

This section will examine how green organizational identity is perceived during the recruitment process. The section will look at how recruitment has been carried out and what role green organizational identity has played in it, Looking from the perspective of both the potential employees and the hiring organization.

### **7.2.1 Attracting environmentally conscious candidates**

Social Identity Theory (SIT) explains that individuals tend to align their self-concept with other social groups based on the groups they associate themselves with. SIT suggests that employees are more likely to identify with organizations that align with their personal values (Ashforth & Mael, 1989). An employee with pro-environmental values would, according to this theory, seek to work in and perceive green organizations as more attractive than those without green values. All informants identified themselves as environmentally conscious people, and many mentioned that they felt like their own values aligned with the green values of the organization. Several informants mentioned that they applied for positions at the company because it was a green organization, and they

wanted to work for a company that was environmentally conscious. It was often when they learned about the company's green business idea that they became interested in the company and considered changing jobs. The informants also spoke very negatively about companies that they considered not being green and expressed that they could never work for a company that was not environmentally friendly.

To maintain or establish a green culture, organizations with a green identity may seek candidates who share similar environmental perspectives and values. Green recruitment and selection refer to the process of identifying, evaluating, and selecting employees who hold these aligned environmental views (Pham & Paillé, 2020). According to Chaudhary (2018), green organizations are perceived as more attractive and prestigious companies by potential candidates (Chaudhary, 2018). This is especially true for candidates that are more environmentally conscious (Pham & Paillé, 2020). In order to attract these candidates, the organization can use the recruitment process to signal their values to the candidate, increasing their perceived attractiveness of the organization given their green beliefs (Chaudhary, 2021). Because of the limited information available about the organization, all interactions with the company during the recruitment process can be seen as signals of its culture and values. Questions or activities that are related to the environment can therefore be seen as signals of how green a company is.

Previous studies have identified four mediators that intervene between signals of the company's corporate environmental sustainability and the perceived attractiveness of the organization. The four mediators are anticipated pride, perceived value fit, the expectation of favorable treatment, and perceived organizational reputation (OR) (Pham & Paillé, 2020). These four mediators align with the findings of the interviews. Organizations with a strong green image gain community trust and are recognized as environmentally responsible. This green reputation, sometimes referred to as organizational green prestige, enhances both existing and potential employees' pride, self-esteem, and identification with the organization.

Several employees explained that working for a company that helped them make a difference in the green shift made them proud. It felt like they were contributing to a good cause and working toward something greater than themselves. One thing that was particularly emphasized was that the result of the work in this company would have a greater

impact on the environment than they could ever achieve through personal choices alone. Many also noted how important it was to share values with your employer. One person had come from a company where few shared the person's environmental views and felt that colleagues could view the choices the person made as strange.

The feeling of belonging or fitting into an organization can be a determining factor when choosing where to work, and whether or not you want to stay at that job. As the employee mentioned, they experienced an increase in job satisfaction when they felt like their values matched the other employees in the organization, also referred to as a high degree of Person-Organization fit (Kristof-Brown et al., 2005). Uncovering this fit, or lack of one, can be crucial during the recruitment process for both the employer and the potential employee.

Therefore, while a strong green identity may be important for attracting employees with environmental values, other factors like shared values and positive work culture can also play a crucial role in determining an organization's attractiveness. The green identity of a company is valued by employees and can contribute to its perceived attractiveness. However, it should not be considered the only factor influencing their decision to work for a particular organization. It is essential to recognize the interplay between various factors, including shared values, positive work culture, and social belonging, in shaping employees' job preferences and their commitment to a company (Scott & Lane, 2000).

### **Deciding factors**

According to the literature, green identity and green culture are often presented as decisive factors in determining where employees choose to work. While the company's green identity played a significant role in attracting employees, it was not the only factor when choosing an employer.

The employees reported that the green identity of the company was in fact an important factor in their decision to apply and ultimately accept a position in the company. However, they also emphasized other factors, such as shared values, a positive work culture, and social belonging, as essential in their decision-making process. Additionally, the opportunity to work in a startup, where employees have a high level of responsibility and freedom and see clear results and meaning in their work, was crucial for the staff.

The empirical data collected indicates a discrepancy between the importance of working for a green company in the literature and what I observed. One reason for this could be linked to the finding that the interviewees felt that almost all companies in Norway presented themselves as green. It is possible that because every company appears to be green, choosing to work for a green company does not necessarily make it stand out as an exceptional employer; it may be perceived as a basic requirement. On the other hand, they were adamant about not wanting to work for a company that had a negative impact on the environment, such as an oil company. It appears that the crucial factor in their decision-making process is whether a company has a negative environmental impact, rather than actively seeking out those with a positive impact.

This is in line with the findings of Lis (2020), who found that, for employees in Germany, the environment was one of the least decisive factors among the four CSR aspects for perceived attractiveness (Lis & Neßler, 2020). High environmental standards and strong regulations in countries like Germany and Norway may cause environmentally positive companies to stand out less compared to countries with weaker environmental regulations.

Lis found that for employees in Germany, product and environment were the least decisive of the four CSR factors for perceived attractiveness. Lis explains this by stating that high standards and strong regulations surround the environment in Germany, so environmentally positive companies do not stand out as much as they would in countries like Taiwan, where many other studies on this topic have been carried out. This coincides with my findings, where several of the interviewed candidates felt that "all" companies in Norway have the environment on their agenda. The biggest problem was identifying which companies were "actually" green and which were merely marketing themselves as green to avoid the negative consequences of not being green. It appears that there was little trust in what an organization reported because it was so difficult to fact-check it (Lis & Neßler, 2020).

### **7.2.2 Selecting the right candidates**

While many organizations may wish to hire employees with pro-environmental values, a hiring strategy to achieve this is rarely observed (Pham & Paillé, 2020). This was also observed in the case company, where there were no set interview questions, nor criteria

to assess a candidate's environmental values. The assessment was more so a feeling of the candidate's value, and how they felt towards the company's mission and values. This way of selecting candidates was also one of the observed hiring strategies by (Pham & Paillé, 2020), which is whether the applicants' values are aligned with the mission of the company.

During the interview process, they focused a lot on employee motivation and how they respond to the vision of the company. Because the vision of the company is to contribute to a greener construction industry, they experience that candidates who are eager to work toward the vision also have pro-environmental values. Because of this, they have ended up hiring people who share green values. It was a shared conception during the interviews that all employees were rooted in the company's green vision and that they all shared green values, although some were definitely more dedicated than others.

Several employees explained that since they were themselves environmentally conscious, they also wanted to work for a company that was environmentally conscious. An employee also stated that he had quit his previous job because the company did not meet his environmental expectations. Therefore, the company's green identity was considered a decisive factor in accepting the job, and the employees viewed the company as more attractive because of its green identity; this can be explained by social identity theory. Social identity theory suggests that individuals are attracted to and want to be associated with people or groups that resemble what they want to associate themselves with (Ashforth & Mael, 1989). An individual who wants to be environmentally conscious will therefore seek to work or be a part of a group with others who are very environmentally conscious.

### **7.2.3 Green organizational identity's impact on recruiting top talent**

The green organizational identity of a company can play a crucial role in attracting and retaining top talent. The literature suggests that prospective employees value organizations that are innovative, socially responsible, open, value-driven, and offer diverse career paths. In today's competitive job market, companies benefit from effectively communicating a green organizational identity to attract highly skilled and motivated employees (Bonaiuto et al., 2013).



One of the key factors that attract top talent is the organization's commitment to innovation. (Bonaiuto et al., 2013) Studies have found that students with high cognitive ability and achievements place greater importance on interesting and challenging work. Therefore, companies that demonstrate their innovative capabilities and communicate this within their employer branding are more likely to attract innovative employees. Organizations with a strong green identity often engage in innovative practices to address environmental challenges, which can be highly appealing to talented job seekers (Trank et al., 2002). This aligns with the case company, which is a young startup whose core business is green innovation. In addition, most of the employees have a university degree related to science and technology.

Social responsibility is another essential factor that influences top talent's employment choices. Socially responsible organizations emphasize corporate purpose beyond profit maximization, demonstrating a commitment to the broader social and environmental context. A green organizational identity reflects a strong commitment to social responsibility, which can be highly attractive to prospective employees who seek meaningful work and opportunities to contribute to positive change.

In conclusion, a green organizational identity can significantly impact a company's ability to recruit top talent. By emphasizing innovation, social responsibility, openness, value-driven decision-making, and diverse career paths, organizations can effectively communicate their green identity and attract highly skilled and motivated employees. In an increasingly competitive job market, fostering a strong green organizational identity can be a crucial factor in a company's long-term success and sustainability.

#### **7.2.4 Green Recruitment and Selection: Striking the Right Balance**

Green recruitment and selection (GRS) is a practice that involves selecting candidates according to an organization's pro-environmental stance. By incorporating green criteria during the selection process and effectively communicating the organization's environmental values, firms can attract candidates who share these values and contribute to a greener work culture. However, striking the right balance between a candidate's professional skills and their environmental attitudes can be challenging.

The case company in this study demonstrates how a focus on employee motivation and

their response to the company's vision can result in the recruitment of individuals who possess pro-environmental values. By emphasizing the importance of shared values and a positive culture during the recruitment process, the company can ensure that new hires align with its goals and contribute to the greener construction industry.

The Social Identity Theory (SIT) posits that individuals seek association with organizations that enhance their self-concept and experience of pride. By adopting a green human resource management (GHRM) strategy and demonstrating corporate social responsibility (CSR), organizations can signal their values and culture, thus increasing their perceived attractiveness as an employer. However, this study suggests that in countries like Norway and Germany, where environmental regulations are already stringent, the green identity of an organization may be less decisive in attracting potential employees than previously thought.

Furthermore, while green marketing can potentially increase job attraction, it is crucial that organizations maintain a high level of perceived green identity to avoid negative effects, such as greenwashing. Balancing the need for professional skills and positive environmental attitudes in potential employees is a crucial aspect of GRS, as it helps organizations maintain their desired culture and uphold their values while striving toward a sustainable future.

### **7.2.5 Conclusion of segment**

The intricate relationship between a green organizational identity and the recruitment process has been illuminated through an analysis of both employee and organization perspectives. The synergy between a green organizational identity and recruitment emerges as a critical determinant. Social Identity Theory (SIT) highlights how shared values between candidates and organizations enhance attraction. Person-Organization fit (P-O fit) underpins employee alignment, satisfaction, and commitment, while also acknowledging the influence of other factors like work culture.

While a robust green identity bolsters appeal, the prevalence of green claims poses challenges, particularly in regions with stringent regulations. Authenticity is vital to counteract greenwashing.

The link between green identity and attracting top talent is evident, with innovation and social responsibility being key drivers. The equilibrium in green recruitment and selection involves assessing both cultural compatibility and professional competence. The case company exemplifies the role of shared values in selecting candidates aligned with its mission.

In navigating these dynamics, organizations must strike a balance between values, culture, and skills to attract and nurture talent that resonates with their environmental vision.

### **7.3 Empowering Employees through the Power of Green: Unleashing Purpose and Inner Strength”**

This discussion will delve into key findings related to employee behavior and feelings and analyze them in relation to the existing literature on green values, employee engagement, personal behavior, and green culture.

#### **7.3.1 The role of purpose in employee engagement**

The interviews revealed that the employees take great pride in working for a company that emphasizes environmentally sustainable values. They described how contributing to the green shift and addressing a critical global issue provided them with a sense of purpose that transcended their job responsibilities. This finding aligns with research suggesting that when employees perceive their organization as environmentally responsible, they experience increased job satisfaction, engagement, and organizational commitment (Fazal-e-Hasan et al., 2023).

The strong alignment between the company’s vision and employee values may contribute to a positive work culture and cohesive team feeling. It’s important to note that other factors also play a crucial role in fostering a positive work environment, such as leadership, communication, and person-organization fit. As discussed earlier in this chapter, several employees demonstrated a good person-organization fit because of the shared values they had with the organization’s mission and other employees.

Because an individual’s actions may have only a limited impact on the environment, the employees felt a strong sense of pride in being part of an organization that collectively

pursued sustainability goals. Most of the employees also exhibited a personal interest in environmental issues and identified themselves as environmentally conscious individuals. They felt like they could contribute much more to critical environmental causes when working for the company, compared to the limited impact their actions could have.

The strong sense of pride and commitment prevalent in the company was found to have a significant impact on the motivation of its employees. Despite the possibility of monotony or repetitiveness in their work, the employees found purpose and meaning in their tasks by recognizing the broader context and importance of their contributions towards the company's overarching goals. This perspective instilled a sense of motivation, enabling the employees to derive satisfaction and joy from their work. When employees know that their organizations are encouraging them to adopt green initiatives and engage in green practices, they are more likely to demonstrate more commitment toward their organization, as they can achieve their green goals while also working with an organization that shares the same values (Fazal-e-Hasan et al., 2023).

### **7.3.2 Discrepancies Between Professional and Personal Environmental Behavior**

Working for a company with a green culture can often lead to increased pro-environmental behavior of the employees, this can be explained by the spillover effect, which suggests that pro-environmental behavior in one context can lead to similar behavior in other contexts. (Nilsson et al., 2017) (Gholamzadehmir et al., 2019) An interesting finding from the interviews was that some employees felt that their work for a green company justified less environmentally conscious behavior in their private lives. This finding highlights the complex relationship between professional and personal environmental behaviors and raises questions about the limits of individual responsibility in the context of broader sustainability efforts.

The discrepancies between professional and personal environmental behavior can be explained through the concept of moral licensing. Moral licensing refers to the phenomenon where individuals, having engaged in a morally commendable act, such as pro-environmental behavior, may subsequently grant themselves the "*license*" to act less morally or environmentally responsible (Gholamzadehmir et al., 2019). On the contrary, moral cleansing

describes the propensity for individuals to continue acting in an environmentally responsible manner after engaging in pro-environmental behavior, thereby maintaining their moral self-concept (Gholamzadehmir et al., 2019). By working in a company that has pro-environmental values, the employees may feel as if they have done so much good for the environment, that they can justify making other, less sustainable choices outside of their professional lives. Multiple employees said that they were frequent flyers, ate animal products, or bought fast fashion but felt like it did not matter as much because they made such a big impact on their job. They gave themselves a "pat on the back" for contributing through their job, further increasing the feeling of doing something morally good.

One question that arises is whether individuals actually want to work for a green company, or if it stems from a desire to feel good, do something morally right, and enhance their own green identity as perceived by others. To incorporate the employees' own perception of what constitutes a green company, the majority believed that a company is considered green if it has a green culture, not just a green product. Following the same logic, an individual would only have a green identity if they engage in green practices on a personal level, not just in the product they deliver at work.

This phenomenon can also be understood through the concept of cognitive dissonance, which occurs when individuals experience discomfort or tension arising from holding conflicting beliefs or attitudes. Climate change is one of the most debated issues in the 21st century, and air travel is particularly scrutinized for its environmental impact. In this case, employees can justify their less sustainable personal choices, such as flying, by highlighting the positive environmental impact of their work. This rationalization allows them to maintain their self-perception as environmentally conscious individuals, despite engaging in behaviors that may be contradictory to this identity. (Nilsson et al., 2017)

One reason for the discrepancy between employees' professional and personal environmental behaviors may be the absence of a clear strategy within the company to promote sustainable choices among its staff. Both employees and management explained that there is no apparent awareness raising or encouragement for workers to make sustainable decisions in their personal lives. Furthermore, the company has not implemented any sustainable practices in the workplace.

It is important to consider alternative explanations for this discrepancy in professional and personal environmental behavior. For example, social or cultural factors might influence employees' decisions to engage in environmentally friendly actions outside of work. Furthermore, the company's lack of a comprehensive sustainability strategy might contribute to the disconnect between employees' work and personal environmental values.

The lack of a comprehensive sustainability strategy within the company presents an opportunity for management to implement policies and practices that encourage employees to engage in more environmentally friendly behaviors, both professionally and personally. This could involve introducing sustainability workshops or training, providing incentives to adopt greener transportation options, or implementing waste reduction and recycling programs at work. By creating a more holistic approach to sustainability that encompasses both the professional and personal spheres, the company may be better positioned to foster a genuine green organizational identity and facilitate a stronger alignment between employees' work and their environmental values.

### **7.3.3 Conclusion of Segment**

Green values within an organization can foster increased employee engagement and a sense of purpose. Employees demonstrated heightened job satisfaction and engagement when employed by a company promoting environmental sustainability. However, the research also uncovered intriguing discrepancies between professional and personal environmental behavior. Although employees find pride and commitment in contributing to workplace sustainability, it was observed that some felt their professional contributions justified less environmentally friendly actions in their private lives.

These findings raise important questions about the individual's role in sustainability efforts and point toward the need for a more holistic approach to sustainability in both professional and personal contexts. The company has an opportunity to implement a more comprehensive sustainability strategy that includes initiatives to promote environmentally friendly choices among employees, both at work and privately. Such a strategy can contribute to strengthening the company's green organizational identity and foster stronger alignment between employees' work and their personal environmental values.

## 8 Conclusion

In this Master's thesis, an in-depth exploration into the perception of green organizational identity by employees in Norwegian start-ups has yielded valuable insights that extend beyond the mere repetition of findings.

In light of the research question - *"How is green organizational identity perceived by employees in Norwegian startups?"* - The findings from this study provide a comprehensive understanding of the relationship between green organizational identity and employee attraction, recruitment, and engagement.

It was discovered that the increasing prevalence of greenwashing has led to a diminished level of trust in organizations that market themselves as environmentally friendly. It appears that being green is no longer perceived as a unique selling proposition but has become a standard market and stakeholder expectation. Companies are compelled to adopt a green identity, not because it gives them a competitive edge, but due to the negative repercussions to their reputation in failing to do so.

Simultaneously, the difficulty in verifying green claims made by companies was found to undermine trust in these assertions. The study suggests that individuals lacking genuine environmental values may not prioritize verifying green claims, thus potentially encouraging a scenario where perceived identity becomes more significant for the brand than the actual execution of green initiatives. This surface-level conceptualization of 'greenness' risks the creation of a veneer of environmental concern, while the substance of the issue remains unaddressed.

My research showed that the green identity of an organization does have a considerable impact on perceived attractiveness during the recruitment process, contributing to the organization's competitive advantage. It was frequently expressed by participants that they would be reluctant to work for a company that negatively impacts the environment. Showing genuine commitment to the environment sends powerful signals that resonate well with values-oriented job seekers, increasing the perceived attractiveness of the organization. Therefore, aligning personal and corporate environmental values appears to be critical for a potential employee's decision to join a firm. The practice of green recruitment and selection (GRS) emerged as a pivotal strategy in attracting and recruiting

individuals who align with the firm's environmental values.

The findings align with the Social Identity Theory, as individuals aiming to identify themselves as green were often inclined to seek employment in organizations that could reinforce this identity. However, the study suggests this factor is not necessarily a prime consideration but rather a basic expectation, mirroring findings from a similar study conducted in Italy. This may suggest that in countries with a strong focus on sustainability and stringent regulations, green identity may not be perceived as particularly noteworthy.

The pursuit of 'green' objectives was found to boost employee motivation, even when faced with monotonous and repetitive tasks, due to the perceived significance of their work. A significant portion of job satisfaction was also derived from aligning personal values with those of colleagues and the organization. This highlights the importance of cultivating a green culture and incorporating it into recruitment strategies to maximize Person-Organization fit.

The study also unveiled instances of moral licensing and cognitive dissonance among the employees. Despite considering themselves environmentally conscious to varying degrees, there was a marked disparity between their personal and professional sustainable actions. The employees permitted certain environmentally detrimental behaviors in their personal lives due to their substantial green contributions at work. This discrepancy underscores a need for a holistic approach to nurturing green values that bridge the professional and personal spheres of an individual's life.

In conclusion, this thesis reveals the complex and multifaceted nature of green organizational identity. To fortify this identity, companies may need to prioritize the promotion of verifiable green practices and strategies that integrate these practices more profoundly into their employees' lives. This could enhance the credibility of green claims and reduce the chasm between organizational and personal sustainable behaviors. Despite the challenges identified, it is clear that a green organizational identity significantly impacts employee motivation and their perception of the organization. Companies should also recognize the importance of signaling a high degree of person-organization fit during the recruitment process, using GRS, which in turn may increase employee satisfaction, motivation, and retention.



### **8.0.1 Further research**

Further research could explore the effectiveness of different strategies to foster a robust, authentic green organizational identity and the impacts of such an identity on different aspects of business performance. It would also be interesting to examine other types of companies and industries in Norway to see if similar findings are observed. Furthermore, conducting research on both startups and other businesses in European countries would contribute to exploring the generalizability of the findings in this study.

## References

- Aggarwal, P., & Agarwala, T. (2021). Green Organizational Culture: An Exploration of Dimensions. *Global Business Review*. <https://doi.org/10.1177/09721509211049890>
- Ashforth, B. E., & Mael, F. (1989). *Social Identity Theory and the Organization* (tech. rep. No. 1). <https://about.jstor.org/terms>
- Bonaiuto, M., De Dominicis, S., Illia, L., Rodríguez-Cánovas, B., & Lizzani, G. (2013). Managing employer brand attributes to attract potential future leaders. *Journal of Brand Management*, *20*(9), 779–792. <https://doi.org/10.1057/bm.2013.18>
- Brink, H. I. L. (n.d.). *VALIDITY AND RELIABILITY IN QUALITATIVE RESEARCH* (tech. rep.).
- Chaudhary, R. (2018). Can green human resource management attract young talent? An empirical analysis. *Evidence-based HRM*, *6*(3), 305–319. <https://doi.org/10.1108/EBHRM-11-2017-0058>
- Chaudhary, R. (2021). Effects of green human resource management: testing a moderated mediation model. *International Journal of Productivity and Performance Management*, *70*(1), 201–216. <https://doi.org/10.1108/IJPPM-11-2018-0384>
- Chen, Y. S. (2011). Green organizational identity: Sources and consequence. *Management Decision*, *49*(3), 384–404. <https://doi.org/10.1108/00251741111120761>
- Chen, Y., Gao, L., & Zhang, Y. (2022). The Impact of Green Organizational Identity on Green Competitive Advantage: The Role of Green Ambidexterity Innovation and Organizational Flexibility. *Mathematical Problems in Engineering*, *2022*. <https://doi.org/10.1155/2022/4305900>
- Connelly, B. L., Certo, S. T., Ireland, R. D., & Reutzel, C. R. (2011). Signaling theory: A review and assessment. <https://doi.org/10.1177/0149206310388419>
- De Marchi, V. (2012). Environmental innovation and R&D cooperation: Empirical evidence from Spanish manufacturing firms. *Research Policy*, *41*(3), 614–623. <https://doi.org/10.1016/j.respol.2011.10.002>
- Elfahli, K., Hossari Hosna, P., & Kaoutar, E. (2022). GREEN HUMAN RESOURCE MANAGEMENT: A SYSTEMATIC LITERATURE REVIEW *Revue de Management et Cultures (REMAC) GREEN HUMAN RESOURCE MANAGEMENT: A SYSTEMATIC LITERATURE REVIEW*. *1*(7). <https://doi.org/10.48430/IMIST.PRSM/remac-n7.31914>

- Elkington, J. (2008). The Triple Bottom Line. In M. Russo (Ed.), *Environmental management: Readings and cases* (2nd, pp. 49–66). Sage Publications.
- Fazal-e-Hasan, S. M., Ahmadi, H., Sekhon, H., Mortimer, G., Sadiq, M., Kharouf, H., & Abid, M. (2023). The role of green innovation and hope in employee retention. *Business Strategy and the Environment*, *32*(1), 220–239. <https://doi.org/10.1002/bse.3126>
- Festinger, L. (1957). *A theory of cognitive dissonance*. Stanford University Press.
- Framnes, A. (2022). Zalando tildeles Grønnvaskingsprisen. <https://www.forbrukerradet.no/siste-nytt/zalando-tildeles-gronnvaskingsprisen/>
- Freeman, R. E. E., & McVea, J. (2005). A Stakeholder Approach to Strategic Management. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.263511>
- Friede, G., Busch, T., & Bassen, A. (2015). ESG and financial performance: aggregated evidence from more than 2000 empirical studies. *Journal of Sustainable Finance and Investment*, *5*(4), 210–233. <https://doi.org/10.1080/20430795.2015.1118917>
- Gholamzadehmir, M., Sparks, P., & Farsides, T. (2019). Moral licensing, moral cleansing and pro-environmental behaviour: The moderating role of pro-environmental attitudes. *Journal of Environmental Psychology*, *65*. <https://doi.org/10.1016/j.jenvp.2019.101334>
- Halawi, A. H., & Sleiman Zaraket, W. (2018). *Impact of Green Human Resource Management on Employee Behavior Organizational Commitment View project Total Quality View project* (tech. rep.). <https://www.researchgate.net/publication/327940684>
- Hart, S. L. (1995). *A Natural-Resource-Based View of the Firm* (tech. rep. No. 4). <https://www.jstor.org/stable/258963>
- Jacobsen, D. I. (2022). Hvordan gjennomføre undersøkelser? In *Innføring i samfunnsvitenskapelig metode* (4th). Cappelen Damm.
- Karimi Takalo, S., Sayyadi Tooranloo, H., & Shahabaldini parizi, Z. (2021). Green innovation: A systematic literature review. <https://doi.org/10.1016/j.jclepro.2020.122474>
- Kemp, R., & Pearson, P. (2007). *Final report MEI project about measuring eco-innovation* (tech. rep.). <http://www.merit.unu.edu/MEI>

- Kim, S. (2012). Does person-organization fit matter in the public sector? Testing the mediating effect of person-organization fit in the relationship between public service motivation and work attitudes. <https://doi.org/10.1111/j.1540-6210.2012.02572.x>
- Kristof-Brown, A. L., Zimmerman, R. D., & Johnson, E. C. (2005). Consequences of individuals' fit at work: A meta-analysis of person-job, person-organization, person-group, and person-supervisor FIT. <https://doi.org/10.1111/j.1744-6570.2005.00672.x>
- Lis, B., & Neßler, C. (2020). CSR in Germany: A European Perspective. In *Csr, sustainability, ethics and governance* (pp. 125–133). Springer Nature. [https://doi.org/10.1007/978-3-030-34261-6{\\\_}8](https://doi.org/10.1007/978-3-030-34261-6{\_}8)
- Lyon, T. P., & Montgomery, A. W. (2013). Tweetjacked: The Impact of Social Media on Corporate Greenwash. *Journal of Business Ethics*, *118*(4), 747–757. <https://doi.org/10.1007/s10551-013-1958-x>
- Nilsson, A., Bergquist, M., & Schultz, W. P. (2017). Spillover effects in environmental behaviors, across time and context: a review and research agenda. <https://doi.org/10.1080/13504622.2016.1250148>
- Norton, T., Zacher, H., & Ashkanasy, N. (2015). *Pro-Environmental Organizational Culture and Climate*. Oxford University Press.
- Pham, D. D. T., & Paillé, P. (2020). Green recruitment and selection: an insight into green patterns. <https://doi.org/10.1108/IJM-05-2018-0155>
- Pimonenko, T., Bilan, Y., Horák, J., Starchenko, L., & Gajda, W. (2020). Green brand of companies and greenwashing under sustainable development goals. *Sustainability (Switzerland)*, *12*(4). <https://doi.org/10.3390/su12041679>
- Priya, A. (2021). Case Study Methodology of Qualitative Research: Key Attributes and Navigating the Conundrums in Its Application. *Sociological Bulletin*, *70*(1), 94–110. <https://doi.org/10.1177/0038022920970318>
- Rashid, Y., Rashid, A., Warraich, M. A., Sabir, S. S., & Waseem, A. (2019). Case Study Method: A Step-by-Step Guide for Business Researchers. *International Journal of Qualitative Methods*, *18*. <https://doi.org/10.1177/1609406919862424>
- Remmings, K. (2000). Redefining innovation - Eco-innovation research and the contribution from ecological economics. *Ecological Economics*, *32*(2). [https://doi.org/10.1016/S0921-8009\(99\)00112-3](https://doi.org/10.1016/S0921-8009(99)00112-3)

- Renwick, D. W., Redman, T., & Maguire, S. (2013). Green Human Resource Management: A Review and Research Agenda\*. *International Journal of Management Reviews*, 15(1), 1–14. <https://doi.org/10.1111/j.1468-2370.2011.00328.x>
- Saeed, B. B., Afsar, B., Hafeez, S., Khan, I., Tahir, M., & Afridi, M. A. (2019). Promoting employee's proenvironmental behavior through green human resource management practices. *Corporate Social Responsibility and Environmental Management*, 26(2), 424–438. <https://doi.org/10.1002/csr.1694>
- Schiederig, T., Tietze, F., & Herstatt, C. (2012). Green innovation in technology and innovation management - an exploratory literature review. *R&D Management*, 42(2), 180–192. <https://doi.org/10.1111/j.1467-9310.2011.00672.x>
- Scott, S. G., & Lane, V. R. (2000). *A Stakeholder Approach To Organizational Identity* (tech. rep. No. 1).
- Speckemeier, L., & Tsivrikos, D. (2022). *Evidence of Greenwashing in Talent Attraction: Can Job Seekers Successfully Detect Deceptive Job Advertisements?* (Tech. rep. No. 4).
- Sulich A & Grudzinski A. (2019). Challenges for the development of green organizations. *International Conference on Environmental Science and Technology*, 86(1). [https://cest2019.gnest.org/sites/default/files/presentation\\_file\\_list/cest2019\\_00466\\_poster\\_paper.pdf](https://cest2019.gnest.org/sites/default/files/presentation_file_list/cest2019_00466_poster_paper.pdf)
- Tahir, R., Athar, M. R., Faisal, F., Shahani, N. u. N., & Solangi, B. (2019). Green Organizational Culture: A Review of Literature and Future Research Agenda. *Annals of Contemporary Developments in Management & HR*, 1(1), 23–38. <https://doi.org/10.33166/acdmhr.2019.01.004>
- Tjora, A. (2017). *Kvalitative forskningsmetoder i praksis* (3rd). Gyldendal akademisk.
- Tjora, A. (2018). *Viten Skapt - Kvalitativ analyse og teoriutvikling* (1st ed., Vol. 2, 2019). Cappelen Damm.
- Trank, C. Q., Rynes, S. L., & Bretz, R. D. (2002). *ATTRACTING APPLICANTS IN THE WAR FOR TALENT: DIFFERENCES IN WORK PREFERENCES AMONG HIGH ACHIEVERS* (tech. rep. No. 3).
- Wright, P. M., & Dunford Scott A Snell, B. B. (2001). *Human resources and the resource based view of the firm* (tech. rep. No. 2).

# A Appendix 1 - Interview Guide

Theme	Questions
Introduction	Short presentation of researcher/student and explanation of the main objectives of the work Presentation of consent for privacy processing and audio recording
Participant presentation	Name, Position, Experience and education, Age, Time in the company How is [COMPANY] working towards the challenge of meeting the green shift? What does it mean for you to be part of a green organization?
The Green Shift	What does it mean for [COMPANY] to "be green" in a global market? What are the narratives around green on behalf of contemporary society? Do you feel there is some kind of empty talk about being green? If yes, why? If no, why? What would you say makes an organization green? What are the key resources of a green organization? What makes a customer perceive an organization as green?
Practices	How do customers and stakeholders identify a green organization? What are the key practices implemented by your organization to be green? (If there are no practices, explore what has challenged the green shift; what are the main obstacles facing it?)
Green and Psychological Safety	How has the emphasis on the importance of being green made companies that introduce green innovation appear more legitimate? How do you think [COMPANY] cares about the environment? How do you experience [COMPANY] actively participating in collaboration with other actors to solve environmental problems?
Green Organizational Culture	Do you feel that [COMPANY] takes into account and cares about environmental agreements, such as the EU Taxonomy or the Paris Agreement? How is the environment and sustainability part of the company's vision? How is environmental and sustainability work carried out in [COMPANY]? Why? Do you feel that all employees are anchored in the organization's environmental and sustainable visions?
Green Organizational Identity	What goals and values do you perceive [COMPANY] to have? How do you feel about working in a company that has [COMPANY]'s values? What do you think about [COMPANY]'s goals? How are the goals and values linked to the environment and sustainability? Before starting at the company, how did you perceive [COMPANY]'s culture and strategy regarding sustainability and the environment? How did you perceive [COMPANY]'s green values or sustainability in the job advertisement?
Green Recruitment and Selection	How were the environment and sustainability teams involved in your interview process? How did you feel [COMPANY] related to your attitude towards the environment and sustainability during the hiring process? How did your own environmental interests influence the decision to start at [COMPANY]? How can [COMPANY] gain competitive advantages due to its green values/green strategy?
Perceived Attractiveness	What competitive advantages do you think [COMPANY] can achieve? Did you perceive [COMPANY] as a more attractive workplace because of its green values and culture? Does the management communicate a clear vision that the company should be sustainable and have sustainable values?
Green Leadership	Do you feel that [COMPANY] has a strategy for green leadership and green culture? How has [COMPANY] collaborated with other actors to work more sustainably? What environmentally friendly practices has [COMPANY] implemented? How do you experience job satisfaction? What contributes to your job satisfaction?
Job Satisfaction / Intention to stay	How is your job satisfaction affected by [COMPANY]'s green culture and identity? How would the absence of green culture and identity affect your job satisfaction? Could it lead you to consider leaving a job? Would you say that you are an environmentally conscious person? What factors motivated you to want to start working at [COMPANY]?
Personal Motivation Around The Environment	Do you feel that [COMPANY]'s green culture and identity influenced your decision to take the job? Do you feel that your needs to work with the environment are being met?



 **NTNU**

Norwegian University of  
Science and Technology