

Sustainable Governance – Setting Direction and Inspiring Change in a City Development Corporation

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In the spring of 2013 a decision was taken on corporate level at Förvaltnings AB Framtiden (Framtiden), a group of seven companies managing 70600 apartments with the common vision to “build the sustainable society for the future” in Gothenburg. The decision concerned the development of a sustainability framework for the group, which is fully owned by the City of Gothenburg.

The purpose of this paper is to explore the process leading to a situation today where corporate governance is changing into a more conscious sustainability focus. The work has gained recognition among the top politicians in Gothenburg. This is the first paper on this process at Framtiden. The overall intention is to follow the development over time, leading to a series of papers diffusing the experiences from this practical work in a corporation. The work at Framtiden is conducted as part of an action research approach aiming to develop the corporation in parallel with the development of theories on sustainable governance and change processes.

The paper mainly addresses one long term question. What are the central mechanisms influencing the long term ability to reach a natural and intuitive way of governing and driving a corporation in a sustainable way? This implicates another question. What is sustainability, in the specific corporation, in practice? Theories on sustainability, change and learning in combination with references to normative documentation on sustainability are used as part of the analytical framework. A central theme in the paper is to illustrate the process of adaptation and fine tuning during the work towards the first sustainability report, which was a key document in formulating the sustainability framework and thus setting direction for governance.

A number of mechanisms are described, influencing the strategic work along the way. Detailed examples, on for example choice of terminology, inclusion and empowerment illustrates the experiences from the practical work. As part of this, the perspectives of multiple stakeholders are shown to illustrate what was important to consider during the initiative to develop sustainable governance.