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INTEGRATING GREEN INTO BUSINESS STRATEGIES AND OPERATIONS

COMPATIBILITY ANALYSIS AND SYNCRETISTIC
PERSPECTIVE

By

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of Cardiff University



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ABSTRACT

The embracing of environmental responsibility by for-profit organisations is a latent concern for contemporary social scientists and management scholars. The Organisation for Economic and Co-operative Development recently published alarming predictions about the impact of human (and especially business) activities on the environment. Both management theorists and business practitioners failed to create the premise for, and inform the direction to, environmental sustainable development – although their interest in raising this challenge has significantly grown throughout the last decade.

A number of Environmental corporate Social Responsibility (ESR) theorists are calling for a paradigm in which ethical or moral concerns are reintegrated in the practice of management. A more holistic and integrative perspective on corporate environmental and economic sustainability, it is argued, would generate improvements in the practice of ESR. Such a perspective is currently lacking; partly owing to the allegiance of theorists to atomistic and 'outmoded' ways of thinking.

This thesis articulates a framework for ESR which prescribes the integration of environmental concerns in the day-to-day culture, processes and activities of a firm. Existing research suggests that the construct of a holistic and comprehensive view of ESR integration requires considerations both of business imperatives and of individuals' cognitions. A compatibility framework is discussed, through which the operational and normative drivers for ESR integration are integrated. Four scenarios of compatibility are proposed: trade-off, ambidexterity, synergy and symbiosis.

The theoretical discussion extends to the consideration of ESR integration as a managerial challenge whereby individual agents of management endeavour to balance objective rationale with subjective morale/ethics in the quest for a considerate environmental response. To examine this challenge, the present study suggests a new direction for theory based on the concept of syncretism – a perspective which received little attention outside the fields of culture and religion. The syncretistic framework is the main contribution of this thesis; it advocates the reconciliation of economic imperatives and environmental concerns via the reintegration of corporate objective (or systemic) and subjective (or constructionist) contingencies.

To develop/refine the theoretical propositions, the thesis provides empirical evidence from thirty-seven interviews with business consultants and managers in a UK Brewery. The managers were interviewed more than once. The findings indicate that systemic pressures are often put forward as constraints to ESR integration; whether this translates into shareholders disapproval, economic instability, market volatility, etc. They tend to impinge on the normative engagement of business practitioners and provoke an incapacity or reluctance to change, understand, learn and lead towards syncretistic reconciliation.

The analysis portrays the UK Brewery as an environmentally proactive, multi-level responsive company. Drawing upon the syncretistic framework, the firm's proactive approach is argued to be impeded by a number of systemic factors. The syncretistic and compatibility frameworks, it is alleged, provide substance to the creation of a holistic theory of ESR integration for understanding the specific, and broader, causal mechanisms that are at play.

KEY WORDS: corporate environmental responsibility, syncretism, sustainability, strategy management, business performance.

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1. Introduction

In a context of perceived current or future crises ranging from climate change to the financial credit crunch, businesses are confronted with mounting pressures to excel across three domains of responsibility: economic health, social equity and environmental integrity (Visser, 2010). This has led to increasing interest amongst scholars, companies and policy makers about finding more sustainable approaches to economic development and business management (Valente, 2012). Despite the acceptance by many companies of their responsibility to do no harm to the environment and decades of intense study of Environmental and Social Responsibility¹ (ESR, used here interchangeably with CSR²), the negative impact of business activities on the environment is increasing (B. Cohen & Winn, 2007; Hawken, Lovins, & Lovins, 2002; McDonough & Braungart, 2002; Robèrt, 2002; Tate, Ellram, & Kirchoff, 2010) and the mechanisms for holistic ESR integration in business strategies and operations remain difficult to develop, implement and sustain (Gond & Crane, 2010; Valente, 2010, 2012).

To some scholars, a clear theoretical guidance to help practitioners and policy-makers support a transition to sustainable business practices is lacking (e.g., Carroll & Shabana, 2010; Ghoshal, 2005; Valente, 2010, 2012). The consensus amongst management practitioners and theorists is that responses to ESR matters to date have failed to provide a platform from which new and more interesting and rewarding ways of coping with ESR issues can be developed. If a rupture with traditional and demonstrably unsustainable (de Lange, Busch, & Delgado-Ceballos, 2012) ways of doing business is to occur, new theoretical directions should be developed. Some observers contend that the need for new thinking and far reaching actions about the way that companies combine economic progress with environmental responsibility is urgent (e.g., OECD, 2012; Porritt, 2009; WWF, 2012). There is no shortage of scholarship arguing in favour of a paradigmatic shift and progress towards a holistic approach to, and the ‘reintegration’ of moral concerns for environmental issues in, management thought and practice (see for example: Berger, Cunningham, & Dumright, 2007; Ketola, 2010; J. Marcus, Kurucz, & Colbert, 2010; Reinhardt & Stavins, 2010; Valente, 2012; Visser, 2010, 2011). However, there is a shortage of contributions that explain the barriers to such a shift taking

¹ Hart (1997, p. 67) provides information about the historical evolution of environmental management strategy from the 1960s (state of ESR denial) to the 1990s (state of ESR acceptance).

² Ultimately, the interconnectedness of social and environmental challenges from a sustainability perspective means that attempts to treat environmental and social responsibilities as separate are unhelpful.

place and provide prescriptions on how to achieve holistic ESR integration in management practice. Ghoshal (2005) argues that constraints in the dominant theoretical paradigms used to inform ESR research explain the lack of a holistic and prescriptive theory.

Academic contribution

This thesis reflects upon the limitations of existing ESR theories and explores an alternative pathway for examining ESR: 'syncretism'. Mainly used by anthropologists and theologians (including Baird, 1991; Droogers, 1989; Shaw & Stewart, 1994) to explain how diverse religious and cultural influences coexist, the concept of 'syncretism' is explored to articulate a framework for ESR integration that may help to understand and pursue a paradigmatic shift to more sustainable business practices. A number of management scholars have examined (or referred to) the relevance and relationship of spirituality and religious principles in management and organisational life (see for example: Dyke & Schroeder, 2005; Gladwin et al., 1995; Lamberton, 2005). This thesis aligns with this 'wave' of management thinking by defining the construct of a model for understanding the processes of business sustainability based on the concept of syncretism. Part of the contribution of this study hence lies in moving beyond the focus on traditional management theories that characterise most previous work in the domain of business sustainability. At a more basic level, by examining the issue of ESR integration from a syncretistic perspective, this thesis not only identifies the limitations of existing theoretical perspectives used in this field but contributes new insight on the strategic challenges and processes of ESR integration. Because the concept of syncretism explains the dynamics between economic and non-economic aspects of corporate sustainability (Berger et al., 2007), it may represent an interesting avenue for theorists and researchers to explore as an element of the organisation and corporate strategy literature potentially determinant of the successful transition to sustainable business practices.

This Chapter begins with an overview of the research background and issues to investigate (section 1.1). Section 1.2 outlines the theoretical approach to these issues. Finally, section 1.3 introduces the empirical contribution made in this thesis to develop/refine the theoretical propositions.

1.1. Background to the research

The Organisation for Economic Co-operation and Development's (OECD) 'environmental outlook to 2050 report (2012) includes projections of socio-economic trends over the next four decades and their implications for four key areas of concern: climate change, biodiversity, water and the health impacts of environmental pollution. The environmental impacts can be synthesised into the following projections to 2050 (OECD, 2012):

- 50% increase in green house gas emissions globally and worsening air pollution.
- Urban air pollution is set to become the top environmental cause of mortality worldwide.
- Global biodiversity is projected to decline by a further 10% with significant losses in Asia, Europe and Southern Africa.
- Global water demand will increase by some 55% due to growing demand from manufacturing, thermal power plants and domestic use.

The OECD (2012) echoes the concerns raised by the UK Department for Environment, Food and Rural Affairs (DEFRA, 2006) that the impact of environmental matters on business performance is growing and will continue to strengthen. Heikkurinen (2010) warns that all industries are becoming more vulnerable. Stakeholders are increasingly diligent in seeking to understand how corporate strategies interweave social and environmental improvements with business operational and economic performance (Zadek, 2004). While, a decade ago, business leaders – sceptical about the financial viability of sustainability – tended to pay lip service to societal concerns, they are now inclined to recognise the significance of societal impact for competitive advantage (Duarte, 2010; Porter & Kramer, 2006; Porter & Kramer, 2011; Waldman & Siegel, 2008). The reasoning is that, if businesses misjudge the salience of adopting environmentally responsible practices, they may lose sales and one of their most important assets, their reputation (Cruz, 2009). Eccles, Ioannou, and Serafeim (2011) provide evidence that highly sustainability orientated companies significantly outperform their counterparts over the long-term. Their assumption is that companies who gain the knowledge to measure, manage and communicate environmental responsiveness are inherently well placed. The challenge is to determine the right direction for businesses to effectively address the market imperfections caused by environmental issues.

McWilliams and Siegel (2000); Orlitzky, Schmidt and Rynes (2003); Margolis, Elfenbein and Walsh (2007); Garriga and Melé (2004); and Devinney (2009) point to a lack of clarification regarding the construct of ESR integration as a significant barrier to sustainable performance and a research gap to explore. In a similar vein, Henriques and Richardson (2005); and Porter and Kramer (2006) deplore the lack of reliable or widely accepted accounting standards to account for (or measure) the environmental accounting – or the broader socio-economic impact – of corporations. The lack of clarification is further supported by the notion of the “Green Wall” of Shelton (1994). The underlying idea is that the challenge of ESR integration extends beyond energy and waste disposal cost savings to encompass the need to attune ESR with corporate culture and other drivers for strategy formation such as behavioural/cognitive aspects (Peattie, 2001; Shelton, 1994). Duarte (2010) argues that, within the context of ESR management, transformative initiatives of business decision-makers are constrained by the dictates of global capitalism, and will have only limited scope. To this argument, Henriques (2004, p. 30) counterpoises the concept of ‘enlightened capitalism’ – i.e. the twin idea that (i) profits can be maximised if the best possible social and environmental performances are produced; and (ii) profit maximization over the longer term does not necessarily require (and may be undermined by) profit maximisation over the short-term.

This thesis seeks to reinvigorate the critical reflection of Gladwin, Kennelly, and Krause (1995) on sustainability practice and theory. The authors explain that progress towards sustainability is hampered in practice by the enduring and outmoded nature of mental models and ways of thinking (Gladwin et al., 1995). In practice, the constrictive nature of traditional business models is argued by Peattie and Charter (1997); Ghoshal (2005); Braungart and McDonough (2008); Valente (2010); and de Lange et al. (2012) to be a product of forms of social and economic development that are demonstrably unsustainable. These forms of development coincide with the continuous escalation of poverty in many countries, the acceleration of many pollutants (particularly greenhouse gases) and the depletion of natural resources (Braungart & McDonough, 2008; OECD, 2012). The uncompromising exploitation of human beings and nature – a trend pertaining to the early stages of capitalism – is no longer considered as appropriate behaviour for private business actors (Hofferberth, Bruhl, Burkart, Fey, & Peltner, 2011).

In the realm of theory, Hofferberth et al (2011) point to the persistence of biased notions about business performance and the assumed dominance of systemic forces and rational

compliance of corporate actors. Ghoshal (2005) observes that dominant theories are essentially grounded in a set of pessimistic and reductionist assumptions about both individuals and institutions. Hofferberth et al. (2011); and Ghoshal (2005) converge on the view of Gladwin et al. (1995) that modern management theory is constricted by a fractured epistemology which separate humanity from nature ('technocentrism') and truth from morality ('ecocentrism'). In view of the situation described by Gladwin et al. (1995) and echoed by Braungart and McDonough (2008); Hofferberth et al. (2011); Valente (2012); and Dixon-Fowler et al. (2012); past theorising has not been successful in providing organisations with prescriptions on how to generate and maintain sustainable societal and economic development. Both theoretical and empirical insights are thus lacking. Porritt (2009, p. 62) comments: "Through all the years of plenty, even as the evidence of overshoot and worsening unsustainability grew and grew, no serious work has been done on thinking through any kind of alternative paradigm".

The well established idea that the dominant social paradigm needs to be challenged to give rise to a new sustainability paradigm that produces shifts in human thinking, Valente (2012) notes, is a latent concern for contemporary social scientists and management scholars. Thinkers have tended to differentiate humanity from the rest of nature and have separated objective truth from subjective morality (Gladwin et al., 1995; Hofferberth et al., 2011). Gladwin et al. (1995, p. 896) suggest that "the task ahead for management theorists is one of reintegration". In calling for a transformation of management theory and practice that contributes to sustainable development, Gladwin et al. (1995) imply that research should seek to reintegrate the inner division in research on corporate environmental sustainability between objectivist and subjectivist variables that coexist in human organisations – a challenge which Garriga and Melé (2004, p. 65) considered to be "far from being resolved".

1.2. Theoretical approach

In the light of the above account, theoretical refinements in research on the workings of ESR integration are lacking. Two key research issues are identified: (i) the lack of clarification regarding the ultimate objectives and scenarios of ESR integration; and (ii), the separation of objectivism from subjectivism in management theory. This thesis explores these issues and, to do so, the theoretical discussion proceeds in three phases.

The first phase elaborates on the research gaps introduced above. Management theory and practice generated a vast number of strategies, tools and techniques for diagnosing and implementing practices for sustainable development. In spite of the body of knowledge accumulated in recent years, its effects on the integration of environmentally responsible practices in organisational performance systems remain limited. A number of studies examining the link between ESR and corporate financial performance corroborate this deduction (see for example, Kim & Statman, 2012; Margolis et al., 2007; McWilliams & Siegel, 2000; Orlitzky, 2005; Orlitzky et al., 2003). Orlitzky (2005, p. 42) contends that “most business plans still do not sufficiently emphasise the social and environmental elements of strategising”. To explain the failure of ESR integration, Chapter 2 points to the atomistic scope of existing strategic management and ESR theories. The discussion draws upon Mintzberg and Lampel (1999); Garriga and Melé (2004); Gladwin et al. (1995); Swanson (1999), Ghoshal (2005) and Valente (2010, 2012) to relate the dominance of (and overreliance on) some theories and the existence of a pattern of paradigmatic conformity in ESR research. Existing management and ESR research is argued to have failed to promulgate a theory that integrates the normative (e.g. individuals’ cognition, behaviours) and operational (e.g. productivity, cost reduction, profits) drivers for ESR.

To address this research gap, Chapter 3 revisits the construct of ESR integration by proposing a framework for analysing the compatibility between ESR and business performance. Responsiveness to environmental issues is argued to depend on both what business agents feel or think about environmental issues – i.e. cognitive/normative compatibility (Tornatzky & Klein, 1982) – and the compatibility of environmental responsiveness with what the firm does – operational/practical compatibility (Tornatzky & Klein, 1982). The construct of the compatibility framework and the variables that compose it are defined. The discussion unfolds different scenarios of compatibility.

In Chapter 4, the theoretical discussion extends the exploration of the construct of ESR integration as a broader, managerial challenge. The concept of ‘syncretism’, used by Berger, Cunningham and Dumright (2007) to typify the integration of CSR in the day-to-day culture, processes and activities of a firm, is adopted. Drawing upon the ideological roots of ‘syncretism’ (culture, religion) and previous research on ESR, a syncretistic framework for managing the reintegration of objectivist and subjectivist perspectives is provided, through

which the opposition between – and reconciliation of – systemic and constructionist ESR drivers is framed.

By this means, the thesis seeks to expand the current theory on ESR integration, which has largely been developed through exclusive objectivist (technocentric) or subjectivist (ecocentric) standpoints. Knowledge of how subjective and objective variables interweave with the choice of ESR strategy is conspicuously absent from the theoretical development of this construct, particularly when the choice of ESR strategy is conceived to be based upon both operational (or objective/pragmatic) and normative (or subjective) managerial drivers (Garriga & Melé, 2004; Ghoshal, 2005; Gladwin et al., 1995; Gond & Crane, 2010).

From the literature review, a number of research assumptions and questions are raised and summarised in section 4.4 (p. 94).

1.3. Empirical contribution

Once theoretical propositions are unfolded, their constructs are refined/developed using empirical evidence from interviews with business consultants and managers in a Brewery. The research design is detailed in Chapter 5, beginning with a reflection on the philosophical worldview. The philosophy of critical realism is explained to be comparatively more fruitful than other ‘reference’ standpoints such as positivism and social constructionism. Implications of critical realism for methodological choices are discussed. Throughout the Chapter, an emphasis is given to specific measures taken to alleviate the threats to research validity. The rationale behind (and drawbacks related to) the selection of business consultants and managers in a Brewery is explained. The Chapter closes with a discussion of data collection techniques and data analysis methods.

Chapter 6 analyses the responses of business consultants. The theoretical propositions are developed into both a multi-faceted strategies model and a multi-layered syncretistic model. The multi-faceted strategies model draws upon the typologies of minimalistic and maturation strategies to propose two patterns of ESR integration: corporate greening and corporate status quo. The analysis frames the process of corporate greening into four maturation strategies: consolidative/transformational, progress, philanthropy, and accommodative postures. Corporate status quo is explained by the underlying mechanisms of lackadaisical postures, compliance, opportunism, and cosmetic strategies.

The multi-layered syncretistic model unfolds the construct of syncretism as a mechanism of reintegration. Companies, it is suggested, attempt to interweave systemic and constructionist contingencies with the choice of ESR strategy. Three syncretistic layers are identified according to whether ESR integration is complete (infiltration), partial (convergence) or breached (separation).

Chapter 7 analyses the responses of managers in a UK Brewery; this enables further specification of theoretical propositions. The approach of the company to ESR is framed into a multi-level responsiveness model. The model consists of four levels of responsiveness: (i) aspiration to symbiosis, (ii) exploration and exploitation of synergistic improvements, (iii) engagement in ambidextrous activities, and (iv) identification and reduction of trade-offs between green and EFF².

Chapter 8 applies the syncretistic framework to the Brewery. The company, it is interpreted, seeks to achieve a fusion between green and business performance; although a number of systemic impediments are captured. The discussion contends that, while the firm's response to green, to some extent, secures the reintegration of environmental issues, in certain business strategic and/or operational aspects, it reflects either a partial or a breached alliance between systemic and constructionist drivers.

Chapter 9 closes this thesis with a synthesis of research results and implications. The discussion opens avenues for theory development by highlighting a number of validity issues and implications for research, education, practice and policy.

2. Towards an alternative approach to theorising ESR

A research issue discussed in the introduction relates to the lack of clarification and objectification of corporate environmental responsibility. Drawing from the assumption of Eccles et al. (2011) that strong sustainability performers are companies who are able to improve their knowledge on how to integrate and manage ESR, a starting point for clarifying the construct of ESR may be to examine the approach of companies to the acquisition and management of knowledge.

Section 2.1 draws upon knowledge management and absorptive capacity theories to discuss knowledge integration challenges and highlight the parallels between the way companies manage knowledge and the way they approach environmental issues. Section 2.2 discusses the concept of corporate strategy, revisits a number of conceptual propositions on the firm's approach to environmental management and reemphasises the convergence with knowledge management perspectives. To close this Chapter, section 2.3 emphasises the limited scope of the paradigms traditionally (or conventionally) used by researchers to theorise ESR challenges and introduces the conceptual choices of this thesis.

2.1. Perspectives on knowledge management

A number of existing strategies, tools, and techniques facilitate the mechanism of ESR integration. They can either operate as diagnostic tools – e.g. life cycle assessment as used by companies such as Nike (Charter, 2001), environmental risk assessment (Tilghman, Coquery, Dulio, & Garric, 2009), ecological footprint analysis (Elkington, 1998) – or as implementation (improvement) tools – e.g. balanced scorecard (Norreklit, Jacobsen, & Mitchell, 2008), lean thinking (Womack & Jones, 1996; Womack, Jones, & Roos, 1990), Six Sigma (Harry & Schroeder, 2000), biomimicry (Hawken et al., 2002). These tools are generally discussed by commentators to invest organisations with the knowledge to concretely and successfully build practices for sustainable development. Many more tools exist, often in the form of derived or extended appropriation from business model tools (e.g. balanced scorecard adapted by Tesco to implement their 'Steering Wheel').

Firms may privilege in-house innovations to pursue ESR integration. This can be explained by the 'Not Invented Here' (NIH) syndrome according to which business inventors or

engineers tend to reject externally generated knowledge (Agrawal, Cockburn, & Rosell, 2009). In a study of Russian firms, Michailova and Husted (2003) suggest three typical situations for NIH syndrome. Firstly, creating new knowledge in lieu of reusing knowledge invented elsewhere is often viewed to provide more prestige. The authors point to a competitive prejudice of rejecting constructive ideas that come from a despised rival (Michailova & Husted, 2003). Secondly, the recipient of knowledge – who may often be specialist and highly educated corporate human resources – may prefer to develop specific knowledge themselves instead of attempting to validate the shared knowledge before integrating it into their knowledge pool. This is what Debackere, Clarysse and Rappa (1996) refer to as strategic and operational autonomy among industrial researchers. The NIH syndrome may finally emerge from a concerted belief resulting from ‘groupthink’ – e.g. project group or management team – within a firm that it has a monopoly of knowledge in its field and therefore rejects new ideas from outsiders (Michailova & Husted, 2003). Hansen and Birkinshaw (2007); and Chen and Wang (2008) point to the NIH syndrome as a hindrance to the development of business innovative capabilities. Firms with strong research hubs may develop and suffer from a form of ‘hubris’; a deeply rooted belief that knowledge should be developed endogenously.

Lichtenthaler and Ernst (2006) reflect beyond the NIH syndrome to consider the attitudes of firms towards both external and internal knowledge acquisition (NIH vs. buy-in), accumulation (all-stored-here vs. relate-out) and exploitation (only-used-here vs. sell-out). These attitudes, according to Lichtenthaler and Ernst (2006); and Boyens (1998), may constitute either a more negative (NIH, all-stored-here, only-used-here) or a more positive (buy-in, related-out, sell-out) approach than what would be regarded as an ideal economic attitude. As shown in Table 1, companies have a choice regarding the way they acquire (make or buy), accumulate (integrate or relate), and exploit (keep or sell) knowledge. They can either comply with the internal management modes, thereby aspiring to retain the firm’s knowledge (make, integrate, and/or keep), or the external modes, thus developing relations with partners (buy, relate, and/or sell), e.g. strategic alliances or virtual enterprises. Lichtenthaler and Ernst (2006) specify that external and internal knowledge management modes do not systematically exclude each other. While previous research in the academic and managerial literature focused on the negative consequences of the NIH syndrome, the realisation of a firm’s overall knowledge potential and aptitude to incorporate ESR may nonetheless be facilitated through a variety of routes and management choices (cf. Table 1).

Table 1. Major tasks and decisions in knowledge management

Source: Lichtenthaler and Ernst (2006, p. 373)

	Knowledge Acquisition	Knowledge Accumulation	Knowledge Exploitation
Internal	Make	Integrate	Keep
	or	or	or
External	Buy	Relate	Sell

Unruh and Ettenson (2010) question how companies should confront the “green frenzy” by distinguishing four strategies to choose from: “(i) adopt the existing standards; (ii) co-opt and modify them to suit your capabilities and processes; (iii) define standards for your industry; or (iv) break away from existing ones and craft your own” (p. 112). In line with Porter and Kramer (2006), Unruh and Ettenson (2010) explain that companies need to understand both their situations in their industry and their capabilities in order to determine which strategy is best.

The NIH syndrome and potential negative consequences (Lichtenthaler & Ernst, 2006) may ultimately obscure the firm’s understanding of how ESR can be integrated alongside prospects of economic growth. As discussed by Cohen and Levinthal (1990); and Tinsley (2002), a firm’s reluctance to acquire and apply ‘external’ knowledge may constitute an obstacle to objective and transparent evaluation of ESR performance. It also challenges the aspiration to establish common ESR performance targets within and across industries. Cohen and Levinthal (1990); and Tinsley (2002) refer explicitly to the link between environmental management and knowledge management by proposing the use of the absorptive capacity theory to explore the idea that ESR performance is a function of an organisation’s prior related knowledge and capacity for assimilating and applying external information for commercial benefits. The underlying assumption endorsed by Tinsley (2002) is that the lack of prior related knowledge on ESR, combined with a lack of commitment amongst top management, challenges a firm’s effectiveness in responding to environmental issues.

In summary, the challenge of ESR integration is interwoven with the challenge of knowledge absorption. The assumption is that the choice of an ESR integration strategy is associated with the firm's attitude to knowledge acquisition, accumulation and exploitation. While high absorptive capacity may invest a firm with sufficient prior knowledge in a particular area (W. M. Cohen & Levinthal, 1990), NIH, all-stored-here, and only-used-here tendencies may impede external knowledge acquisition (Lichtenthaler & Ernst, 2006). A firm's absorptive capacity determines the potential to realise opportunities that are based on a combination of internally and externally acquired knowledge (Lichtenthaler & Ernst, 2006). According to Porter and Kramer (2011), the realisation of ESR opportunities – or shared value creation – requires embracing considerations of both external knowledge – i.e. outside-in perspective (Porter & Kramer, 2006), externalities (Porter & Kramer, 2011, p. 65) – and the internalisation of this knowledge with a view to achieving internal fit (Andrews, 1980; Porter & Kramer, 2011).

The construct of ESR integration may be clarified by examining the level of compatibility between ESR and business performance. The level of ESR strategic commitment that a firm is willing to pursue (are companies reactive or proactive?) arguably holds implications on the firm's absorptive capacity and the resulting level of compatibility. An emphasis should therefore be given to the idea of strategic commitment. The section below discusses the concept of corporate strategy and reviews a number of environmental strategy management perspectives.

2.2. Corporate strategy and environmental responsiveness

In reflecting on the strategy process in business, Mintzberg and Lampel (1999, p. 22) identify ten major schools of thought, three “prescriptive” and seven “descriptive”. The prescriptive schools – i.e. design, planning and positioning – reflect on how things should be done (Mintzberg & Lampel, 1999). The descriptive schools – i.e. entrepreneurial, cognitive, learning, power, cultural, environmental and configuration – reflect on how things actually happen (Mintzberg & Lampel, 1999). The dimensions of the ten schools discussed by Mintzberg and Lampel (1999, pp. 23-24) are detailed in Appendix 1 and Appendix 2.

Andrews (1980) adopted a design perspective that sees strategy formation as achieving the essential fit between internal strengths and weaknesses and external threats and opportunities.

Corporate strategy, Andrews (1980) suggests, is the pattern of decisions in a company that determines and reveals its objectives, purposes, or goals. It produces the principal policies and plans for achieving those goals, and defines the range of business the company is to pursue, the kind of economic and human organisation it is or intends to be, and the nature of the economic and noneconomic contribution it intends to make to its stakeholders, employees, customers, and communities (Andrews, 1980).

The challenge of strategy formation, according to Mintzberg and Lampel (1999, p. 21), is one of coping with “the glories of planning or the wonders of learning” as well as “the demands of external competitive analyses or the imperatives of an internal ‘resource-based’ view”. The issue of resource scarcity creates uncertainties as to how firms allocate available resources of all kinds between competing wants which cannot all be satisfied at once (Wetherly & Otter, 2008). Considering the socio-economic trends described in Chapter 1, the need to respond to environmental issues is perceptible and more pressing than ever; yet, linking back to Milliken (1987), the lack of knowledge about response options may generate a pattern of response uncertainty. Should corporate strategies for change adopt a logic of incrementalism, an approach discussed by Quinn (1980) to embrace competitive contingencies as key drivers? Should they adopt the logic of deliberate planning advocated by Andrews (1980) and Ansoff (1991), an approach which considers the future allocation of the firm’s resources as a strategic priority? Should strategy formation comply with the emergent mode proposed by Mintzberg (1990, 1991) with learning as a key component?

Wetherly and Otter (2008) converge towards the logic of deliberate planning. They define strategic scenarios as detailed and plausible views of how the business environment of an organisation might develop in the future based on key drivers for change about which there is a high level of uncertainty (Wetherly & Otter, 2008). The notion of corporate strategy as ultimately a long-term/open ended matching process between the demands of the external environment and the capabilities and resources of the firm give it a natural sympathy with the ESR agenda. Mintzberg (1983) argues that firms can be rewarded, in an economic and financial sense, for engaging in ESR practices to a certain extent.

In reflecting on corporate strategy towards social/environmental responsiveness, Carroll (1979), followed by Wartick and Cochran (1985), introduced the terms reactive, defensive, accommodative and proactive. The works of Clarkson (1991, 1995) consolidate this approach

by showing that it defines successfully the level of responsibility accepted for managing stakeholders. Branco and Rodrigues (2007) specify that Carroll's concept relates exclusively to corporate social responsiveness; it is "the action phase of management responding in the social sphere" and complements social responsibility (Carroll, 1979, p. 502). Frederick (1994) labelled social responsibility as CSR1 and social responsiveness as CSR2. CSR1, according to Frederick (1994, p. 151), focuses on CSR as an examination of companies' "obligation to work for social betterment". CSR2 emerged in the 1970s to define "the capacity to respond to social pressures" (Frederick, 1994, p. 151). The present study aligns with Branco and Rodrigues (2007) in that ESR performance is conceived to be driven by both a sense of responsibility and a capacity for responsiveness. In the section below, an emphasis is placed on the "philosophy of responsiveness" (Branco & Rodrigues, 2007, p. 9) – i.e. the strategy behind companies' response to societal issues.

Consistent with Carroll's approach, Hass (1996, p. 61) provides a review of existing environmental strategy management typologies. The typologies developed in previous studies are typically presented in the form of a continuum from minimalistic (e.g. reactive, non-compliance, inactive) to proactive levels of commitment to ESR (Aragón-Correa, 1998; Aragón-Correa, Hurtado-Torres, Sharma, & García-Morales, 2008).

The environmental strategy management classification that has received the broadest attention in the literature, according to Aragón-Correa (1998), is the one devised by Roome (1992). Roome (1992) proposes the label 'noncompliance' to define firms with the weakest natural environmental posture. This category refers to the failure to apply natural environmental measures and conform to regulations (Aragón-Correa, 1998). The lack of response might indicate the reluctance – referred to as 'denial' by Ledgerwood et al. (1992) – or incapacity – also called 'inertia' by Gray et al. (1995); and Laughlin (1991) – of business actors to foster change in business activities. It aligns with the inactive approach to environmental management suggested by Ford (1992); and Müller and Koechlin (1992, 2002); and the defensive approach defined by Zadek (2004).

The category 'compliance' is proposed by Roome (1992) and echoed by Greeno (1993) and Zadek (2004) to define ESR as determined by prevailing legislation and as a cost of doing business. Porter and van der Linde (1995a, p. 130) corroborate the existence of compliant firms yet encourage these companies to stray from their "focus on regulatory compliance" to

envision economic and competitive opportunities emerging from innovative initiatives to improve ESR.

The third category proposed by Roome (1992) is ‘compliance plus’. This approach defines companies which are not only abiding by the law but also applying in-house methods to deal with environmental issues (Aragón-Correa, 1998). The objective, as the managerial stage of Zadek (2004) suggests, is to achieve longer-term gains by integrating responsible business practices into daily operations. ‘Compliance plus’ firms are thus inclined to embrace other motives for ESR commitment than regulations. As a case in point, the propensity of ESR to enhance financial performance is found by Kim and Statman (2012) to determine the level of ESR investment business managers are willing to support.

In the next category – labelled by Roome (1992) as ‘commercial and natural environmental excellence’; firms systematically apply preventive methods based on principles of total quality management in their natural environmental and overall managerial practices. At this strategic stage (Zadek, 2004), companies seek to increase economic value in the long-term and to gain first-mover advantage by aligning strategy and process innovations with environmental/social issues. Aragón-Correa (1998) found a positive relationship between a firm’s proactiveness and the development of ESR. Holistic ESR, according to Bansal and Gao (2006), impinges on production systems, offers marketing opportunities and requires measurement and management systems at the organisational level.

The highest level of commitment captured by Roome (1992) consists of the ‘leading edge’ category. This category consists of firms whose postures point the way for future development by others (Aragón-Correa, 1998). ‘Leading edge’ companies are assessed by Müller and Koechlin (1992, 2002), and Ford (1992) to be ‘hyperactive’ because of their willingness to provoke environmental change. They promote broad industry participation in ESR – in line with the civil stage discussed by Zadek (2004).

Zadek (2004) observes that a company’s journey through learning invariably passes through five discernible stages: defensive, compliance, managerial, strategic, and civil. Aguilera et al. (2007) suggest the existence of different motives for organisational commitment to ESR. For moral and/or relational motives, some organisations conceive ESR as a priority; they may thus adopt the ‘maturation’ journey of Zadek (2004). Others, invested with instrumental

motives (shareholder value, competitiveness), may regard ESR as an option for long-term profitability (Aguilera et al., 2007). The strategic salience of environmental issues, as conceived by the company, is often argued to determine a firm's absorptive (learning) capacity (Porter and Kramer, 2011).

Sharma (2000) writes that conceiving environmental issues as opportunities rather than threats can be beneficial to the development of holistic environmental responsiveness. Bansal and Roth (2000) maintain that certainty, transparency and emotivity determine an issue's salience. Environmental issues have emotional, cognitive and value-based elements that pertain to the individual (Bansal & Gao, 2006; Dutton & Dukerich, 1991). In a study of 99 firms in Canada, Sharma (2000) contends that managers' reactions to strategic issues as opportunities or threats is explained through three attributes: (i) negative or positive emotional association, (ii) loss or gain considerations, and (iii) a sense of the issues as uncontrollable or controllable. Sharma (2000) suggests that organisational commitment to ESR integration may not necessarily be one of maturation. Negative association, loss considerations and a sense of environmental issues as uncontrollable (Sharma, 2000) may generate minimalistic strategies whereby probabilities of proactive ESR commitment are low. A similar conclusion is drawn by Lichtenthaler and Ernst (2006) on the firm's approach to external knowledge management. They argue that "companies may have both positive and negative attitudes to externally performing knowledge management activities, depending on the particular task" (Lichtenthaler & Ernst, 2006, p. 382). Table 2 encapsulates both positive and negative attitudes in terms of maturation and minimalistic ESR strategy biases.

Table 2. Environmental management strategy typologies: minimalistic and maturation biases

Source: adapted from Hass (1996, p. 61).

Source	Model strategies & motives				
Zadek (2004)	Defensive	Compliance	Managerial	Strategic	Civil
Hunt and Auster (1990) [Putman, Hayes & Bartlett]*	Stage 1 'beginner'	Stage 2 'fire fighter'	Stage 3 'concerned citizen'	Stage 4 'pragmatist'	Stage 5 'proactivist'
Greeno (1993) [Arthur D. Little]	Stage 1 problem solving		Stage 2 managing for compliance	Stage 3 managing for assurance	
Newman (1993) [Booz-Allen & Hamilton]	Reactive		Proactive	Innovative	
Müller and Koechlin (1992)	Inactive Ignore 'ostriches'	Reactive Respond 'chicken lickers'	Proactive Anticipate 'green hornets'	Hyperactive Provoke 'Robin Hood'	
Roome (1992)	Non-compliance	Compliance	Compliance plus	Commercial and environmental excellence	Leading edge

*name of consultancy firm which proposed the model is given in [brackets].

While the typologies discussed in this section contribute to understanding the extent to which companies are willing to commit to environmental issues (e.g. are they 'proactive', 'reactive', or 'innovative?'), Shelton (1994), Clarke (1994); Hass (1996); and Buysse and Verbeke (2003) argue that environmental management research could be enriched by taking a more contextual approach which links the environmental management response to the main business strategy and operations of the firm. Bansal (1993) contends that typologies fail to provide sufficient accuracy. Firms tend to be categorised into one posture while, in practice, companies may chose to adopt more than one ESR integration strategy (Bansal, 1993). The underlying assumption is that a firm's approach to ESR may be framed into a continuum from reactive to proactive postures along what Porter (1990) refers to as primary and secondary business activities. A possible direction for refining theory and clarifying the construct of ESR integration is to propose an alternative framework based on the assumption that all parts of an organisation are not at the same stage of ESR integration at a time. This may contribute

to unfolding a multitude of directions of travel for effective ESR integration across a single organisation.

2.3. The reintegration challenge

As discussed in the introduction, a number of authors in the field of ESR point to a lack of clarification (or transparency) about the link between ESR and business performance. In the same vein, Henriques and Richardson (2005); and Porter and Kramer (2006) deplore the lack of reliable or widely accepted accounting standards or metrics to account for or measure the broader socio-economic impact of corporations. Indicators are often determined at the firm's level (created inside the corporation; a practice possibly linked to the NIH syndrome) which may constitute a negative attitude towards knowledge acquisition (Lichtenthaler & Ernst, 2006), generate unreliable information quality and cause low quality reporting (Cerin, 2002). Examining firms' performance according to more widely accepted ESR performance targets (within and across industries) may generate more clarity and transparency in the evaluation, implementation and progress of green performance.

Siegel (2009) explains that managers of publicly traded firms have a fiduciary responsibility to adopt 'green management' practices only if such actions harmonise with the organisation's business and corporate-level strategies. ESR integration should be conducted, as Porter and Kramer (2006, p. 78) suggest, "in the way most appropriate to each firm's strategy". Corporate strategies are understood in this thesis to be varied and mutable rather than static and durably aligned with specific schools of strategic thinking. ESR theorists have failed to fully integrate this pattern owing to their consistent alignments with well established, yet relatively 'atomistic', conceptual frameworks. This argument revives the concerns of a lack of clarification about the construct of ESR integration and underdeveloped management theory raised by Gladwin et al. (1995); Mintzberg and Lampel (1999); and Swanson (1999); and more recently echoed by Garriga and Melé (2004); Ghoshal (2005); Etzion (2007); Hofferberth et al. (2011); Melé, Argandoña and Sanchez-Runde (2011); Valente (2012) and Dutta, Lawson and Marcinko (2012). The present section begins with an evaluation of the scope of existing ESR theories. It continues to define the theoretical contribution of this thesis as a tentative step towards the development of a holistic and prescriptive framework of ESR integration.

2.3.1. The scope of existing ESR theories

Research on ESR integration is influenced by a variety of conceptual frameworks and schools of strategic thinking. Etzion (2007) explains that ESR theory developed in management subfields – e.g. strategy, organisational behaviour, organisation theory, marketing – are not readily integratable. They fail to yield simple generalisable truths owing to their different and contradictory, if not incompatible, conceptual bases (Etzion, 2007; Gond & Crane, 2010).

Garriga and Melé (2004, p. 51) propose a classification of the main CSR theories and related approaches in four groups: “(i) instrumental theories, in which the corporation is seen as only an instrument for wealth creation, and its social activities are only a means to achieve economic results; (ii) political theories, which concern themselves with the power in the political arena; (iii) integrative theories, in which the corporation is focused on the satisfaction of social demands; and (iv) ethical theories, based on ethical responsibilities of corporations to society”. In this section, some of the most prominent theories used in ESR research are reviewed. The discussion draws upon Minzberg and Lampel’s (1999) schools of strategy formation and Garriga and Melé’s (2004) groups of CSR theories to highlight the reason(s) why these theories fail to inform the construct a holistic framework of ESR integration.

Instrumental theories include strategies for competitive advantage based on the Resource-Based Theory (RBT), the concept of dynamic capabilities and the contingency theory. ESR authors influenced by the RBT include Hart (1995); Aragón-Correa et al. (2008); Hart and Dowell (2011); and McWilliams and Siegel (2011). At its introductory stage, the RBT suggested to conceptualise how a firm’s resources influence its growth (Penrose, 1959). The approach particularly entailed that growth is constrained when resources are inadequate (Penrose, 1959). The RBT contends that the ability of a firm to perform better than its competitors depends on the unique interplay of human, organisational and physical resources over time (Garriga & Melé, 2004). McWilliams and Siegel (2011) integrate the RBT framework with concepts and tools from economics, notably hedonic pricing, contingent valuation and the new literature on the economics of industrial organisation to provide a structure for determining the strategic value of CSR. RBT scholars generally point to the notion of competitiveness as a central component that connects environmental responsiveness to the bottom of the economic pyramid. While sustaining competitive advantage is acknowledged in research to be positively correlated to ESR (Eccles et al., 2011; Porter &

Kramer, 2006), the RBT fails to consider what Babiak and Trendafilova (2011) refer to as the desire to achieve legitimacy and other strategic (e.g. intangible) advantages that ESR provides. For this reason, the theoretical framework used by resource based theorists may impede the uncovering of important (abstract/subjective) connections in the construct of ESR integration.

Hart (1995) extended the scope of applicability of the resource-based theory beyond a firm's internal challenges to include the constraints imposed and opportunities offered by the biophysical environment – giving rise to the Natural Resource-Based View of the firm (NRBV). Works adopting Hart's NRBV (1995) not only present “a strong focus on performance as the key outcome variable” but also “recognises the importance of intangible concepts, such as know-how, corporate culture, and reputation” (Russo & Fouts, 1997, p. 535). Hart and Dowell (2011) further refine the NRBV to consider the firm's dynamic capabilities and understand how firms incorporate environmental sustainability in their quest for competitive advantage. This reflects an attempt to adapt to the developments that have emerged in recent years in research on sustainable enterprise (Barney, Ketchen, & Wright, 2011). The notion of sustainable competitive advantage still is a central component of the NRBV, although the theory explores the influence of human factors.

The RBT was further challenged on the grounds of both its static nature and its inadequacy in explaining firms' competitive advantage in changing environments, and this led to the emergence of the concept of Dynamic Capabilities (Barreto, 2010). According to Teece, Pisano, and Shuen (1997); and Teece (2007), the Dynamic Capabilities framework embraces three characteristics: (i) the capacity to sense and shape opportunities and threats, (ii) the ability to seize opportunities and maintain competitiveness through enhancing, combining, protecting, and, (iii) when necessary, being able to reconfigure (transform) the business enterprise's intangible and tangible assets. Sensing, seizing and transforming capabilities are however undermined by biases and inertial forces endemic to the strategist's (analytical or intuitive) cognitive and emotional mechanisms (Hodgkinson & Healey, 2011). According to Hodgkinson and Healy (2011), Teece's framework privileges calculation and computation through cold, effortful processes as the primary route to adaptation and performance. They argue that theories informed by the Dynamic Capabilities framework may be flawed with instrumental biases. They emphasise the failure of the concept to integrate “human aspects” – i.e. behavioural, cognitive, emotional factors – for comprehending the contingencies of

resistance to, and compliance with, (environmental) strategic initiatives (Hodgkinson & Healey, 2011, p. 19).

Research in ESR has also integrated insights from contingency theory (see for example, Barnett, 2007; Dixon-Fowler et al., 2012; L. Donaldson, 2008; Husted, 2000; Martinez, Vazquez-Brust, Peattie, & Zokaei, 2012). Mintzberg and Lampel (1999) explain that contingency theory belongs to the environmental school of strategy formation. The theory considers which responses are expected of organisations facing particular environmental conditions. ESR theorists adopting the contingency theory approach generally attempt to address the question: ‘when does it pay to be environmentally responsive?’ Consistent with Martinez et al. (2012), ESR integration is understood to be contingent on corporate values, consumption trends, prospective business benefits, regulatory context and available technologies. Comparably to the RBT, the approach essentially promotes the need to understand the competitive advantage resulting from ESR (Dixon-Fowler et al., 2012); it can hence be classified as an instrumental theory. Authors taking a contingency perspective are yet increasingly paying attention to the impact of intangible variables and human factors on the construct of ESR integration (Barnett, 2007; Martinez et al., 2012).

Influential ethical theories include the stakeholder and institutional theories (Garriga & Melé, 2004) which are often combined by ESR authors. Molina-Azorín et al. (2009), for example, contend that these theories share a conceptualisation of organisations being embedded within a wider social system that shapes their behaviour. The approach entails that an organisation’s relationships with institutions and stakeholders are assumed to play a significant role in both the definition and determination of success (T. Donaldson & Preston, 1995). The institutional and stakeholder theories are viewed by Mintzberg and Lampel (1999) to share inspirations from environmental and cognitive schools of strategy formation (refer to Appendix 1 and Appendix 2). The environmental school constitutes a foundation of the notion of stakeholder management; the aim of which is essentially to illuminate the demands of the environment (Freeman, 1984). T. Donaldson and Preston (1995) emphasise the cognitive dimension through a discussion on the normative core of stakeholder theory. They highlight the role of individuals in judging upon the salience of stakeholders. Insights from the stakeholder theory were integrated in ESR research to develop the construct of two business tools for ESR integration: Balanced-Scorecard (BSC) and Triple Bottom Line (TBL).

Jensen (2002) defines the BSC as the managerial equivalent of stakeholder theory. Kaplan and Norton (2004) refer to it as a system for controlling and coordinating decision-making via the translation of corporate vision into measures for managers and employees alike. The system involves staff at all levels in efforts to reduce both environmental impacts and cost (Zadek, 2004). The BSC specifically consists of a dozen to two dozen measures that are intimately related to the organisation's strategy (Jensen, 2002). The authors of BSC, Kaplan and Norton (2004), assert that there should never be a single dimensional means by which an organisation or department or person will score their performance. A critique of this approach by Jensen (2002) is that these units or people cannot make purposeful decisions because of the lack of awareness about the trade-offs between the multiple measures. To support his argument, Jensen reports a quote from a senior manager at a large financial institution that spent considerable time implementing a balanced scorecard system: "We never figured out how to use the scorecard to measure performance. We used it to transfer information, a lot of information, from the divisions to the senior management team. At the end of the day, however, your performance depended on your ability to meet your targets for contribution to bottom line profits" (2002, p. 249). The complexity of the BSC may hence constrain its practicability; the result in this case was a fall-back to a more conventional single dimension measure of performance (Jensen, 2002).

Also informed by insights from the stakeholder theory, the TBL model aims to harmonise the economic, social and environmental dimensions of corporate sustainability. It suggests that to identify where a company is in terms of its environmental impact involves determining appropriate sustainability targets or standards to aim for and working out the most cost-effective way for the company to close potential sustainability gaps (Howes, 2002). The TBL entails that corporate responsibilities extend beyond economic and regulatory aspects of providing products and services that customers want at a profit to encompass social and environmental duties (Hubbard, 2009). Hubbard (2009) indicates that the TBL has not been successful in penetrating organisational performance systems because it was generally perceived as too complex and challenging for business practitioners mired in economically dominated ways of thinking.

In summary, the RBT, Dynamic Capabilities, contingency theory and stakeholder/institutional theories have all contributed to provide new insights into the construct of ESR integration. The above review indicates that the contents of these theories have been revisited, re-

examined and reoriented; mainly in an effort from theorists to embrace the developments that have emerged in sustainability and ESR research (Gond & Crane, 2010). A notable evolution relates to the integration of normative/cognitive aspects in, e.g., the NRBV, normative stakeholder theory and recent works adopting the contingency theory. Some authors point to the fact that ESR research offers highly contradictory perspectives on the concept (Gond & Crane, 2010; Lähdesmäki, 2012). In a study of the construction of manager identity in relation to CSR, Lähdesmäki (2012) corroborates the existence of two contradictory discursive resources: instrumental and ethical. The instrumental (or economic) discourse is dominated by the notion of businesses as primarily subject to economic and legal obligations. The altruistic (or ethical) discourse considers that businesses are expected to have certain social and ethical responsibilities. The ‘atomistic’ scope of the conceptual frameworks used to build ESR theories provides a plausible rationale for the emergence of contradictory perspectives on ESR (instrumental/ethical).

Petrick and Scherer (2003) discuss the case of Enron as an example of instrumental management bias and unsuccessful ESR integration. They explain that Enron’s top management chose short-term financial gains at the expense of stakeholder engagement thereby jeopardising their personal/business reputations and their social standing. Reckless focus on short-term executive self-interest, Petrick and Scherer (2003) write, excluded the possibility of positive contributions from Enron to the general welfare of humans and nature. One of the lessons from the “Enron scandal” (Wetherly & Otter, 2008, p. 287) is that the failure to arrive at a balanced and inclusive instrumental/ethical management model impedes ESR integration.

Table 3 suggests a synthesis of the main theories used to examine ESR integration and the main critiques/observations made in this section.

Table 3. Evaluating the scope of the main conceptual bases adopted to build ESR theories

Source: author's own construction.

Approach	See for Example...	Description	Mintzberg & Lampel's (1999) Schools of Strategy Formation	Garriga & Melé's (2004) Groups of CSR Theories	Main Critique(s)/Observation
(Natural) Resource-Based Theory	Hart (1995, 1997); Russo & Fouts (1997); Aragón-Correa et al. (2008); Hart & Dowel (2011); McWilliams & Siegel (2011).	Posits that the ability of a firm to perform better than its competitors depends on the unique interplay of human, organisational, and physical resources over time.	Cultural, Learning	Instrumental	Primary focus on drivers for sustainable competitive advantage; Lack of consideration of wider socio-economic trends.
Dynamic Capabilities	Prahalad & Hamel (1990); Teece et al. (1997); Marcus & Anderson (2006); Teece (2007), Barreto (2010).	Refers to the firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environment	Design, Learning	Instrumental	Fails to integrate the influence of human aspects; Privileges calculation and computation through cold, effortful processes as the primary route to adaptation and performance.
Institutional & Stakeholder Theory	T. Donaldson & Preston (1995); Brammer & Millington (2008); Molina-Azorín et al. (2009); Sarkis, Gonzalez-Torre, & Adenso-Diaz (2010).	Assumes that to An organisation's relationships with institutions and stakeholders play a significant role in both the definition and determination of success.	Environmental, Cognitive	Ethical	Generally perceived as too complex and confronting for business practitioners mired in economically dominated ways of thinking.
Contingency Theory	Husted (2000); Barnett (2007); L. Donaldson (2008); Dixon-Fowler et al. (2012); Martinez et al. (2012)	Posits that managerial choices of organisational structure and strategy that produce the highest ESR performance depend on the fit of the structure/strategy to particular environmental conditions.	Environmental	Instrumental	Considers ESR as relevant to the extent that it contributes to the bottom line and competitive advantage.
Constructionism	Lähdesmäki (2012)	Proposes to use cognition to construct strategies as creative interpretations, rather than simply map reality in some more or less objective way.	Cognitive, Cultural	Captures the divide between Instrumental and Ethical 'mindsets'	Provides evidence of a pattern of normative 'myopia' with executives holding personal values that strongly influence their decisions; This pattern may lead to the exclusion of the notion of business sense or that of environmental integrity (e.g. Enron) – depending on the perceptions of business agents on ESR.

Garriga and Melé (2004); and Swanson (1999) observe that existing strategies are dominated by one or two orientations while references to the influence of alternative (or complementary) theoretical orientations are at most implicit. In the quest for a more holistic framework, some authors combine different theories; for example, Oliver (1997); and Sarkis et al. (2010); integrate RBT insights with the institutional/stakeholder theories. They still fail to bridge the broader firm-level paradigmatic gap that separates these theories owing to the use of technocentric variables such as the achievement of competitive advantage as central elements of their analytical frameworks. ESR researchers adopting these ‘dominant’ theories generally acknowledge the need for theoretical refinements on the construct of ESR integration. They specifically concur with the conclusion that a holistic paradigm integrating business, economic and human factors – e.g. intangible knowledge, motivation, cognition, etc – is lacking.

2.3.2. The ‘alienated poles’ and the sustaincentric paradigm

The absence of a comprehensive management framework that would address, balance and integrate economic and societal considerations contrasts against the growing international consensus about a more holistic conceptualisation of ESR (Jamali, 2006). The influence of a variety of dominant schools of thought on strategy formation and CSR theories can be brought forward as a rationale for the failure of existing ESR theories to establish a holistic paradigm that stimulates progress towards sustainability. This links back to the observation of Alvesson and Deetz (2000, p. 38) that “the problem with most theories is not that they are wrong or lacking in confirming experiences but that they are often dominant, misdirect observation, or function to aid only dominant groups”.

Ghoshal (2005); and Gladwin et al. (1995) discuss the diversity of views in ESR research and allude to the idea that a ‘consensus’ exists amongst ESR scholars around how to integrate societal concerns in management practice using conventional theoretical ‘mindsets’. While the most prominent theories of business and management span diverse academic disciplines – including psychology, sociology, and, preeminent of all economics; they have increasingly converged on a pessimistic view of human nature, on the role of companies in society and of the processes of corporate adaptation and change (Ghoshal, 2005; Gladwin et al., 1995). According to Ghoshal (2005), the dominance of some theories – including RBT, dynamic capabilities, stakeholder/institutional theories, contingency theory – is so profound that most

scholars succumb to the temptation of incrementally adapting them, notably with a view to embracing the developments on sustainability research. Ghoshal (2005) deplors this trend and recognises the need to define and adopt a different path that endorses a more positive agenda. He proposes to stray from paradigmatic conformity and reinstitute ethical and moral concerns in mainstream theory and ultimately in the practice of management. Ghoshal comments: “our theories and ideas have done much to strengthen the management practices that we are all now so loudly condemning” (2005, p. 75 & 87).

The underlying assumption, drawn upon the study of Mintzberg and Lampel (1999, p. 28), is that business practitioners have been encouraged to pick and choose among various processes that are driven either by the notions of “external world as comprehensive, controllable” and “internal process as rational” or by the notions of “external world as unpredictable, confusing” and “internal process as natural”. Mintzberg and Lampel (1999) encouraged strategic thinkers to give more attention to strategy formation as a whole. They pointed to the tensions in research on strategy formation between process and content, statics and dynamics, constraint and inspiration, the cognitive and the collective, the planned and the learned, and the economic and the political. These tensions arguably permeate into the practice and theorising of ESR. Swanson (1999); and Gond and Crane (2010) point to an integration dilemma in ESR theory. The dilemma reflects a failure to integrate empirical (operational, descriptive) and normative aspects of ESR, or economics and ethics, and cause the lack of a paradigm for the field of business and society.

While most ‘dominant’ approaches used to examine ESR cut across different schools of thought on strategy formation, they never clearly address the instrumental/ethical divide. In a review of management paradigms for sustainable development, Gladwin et al. (1995) acknowledge the constricted range of assumptions about the ontological status of social reality and human nature. They discuss three environmental paradigms: the “alienated poles of technocentrism and ecocentrism” (Gladwin et al., 1995, p. 880); and the “integrative paradigm of sustaincentrism” (Gladwin et al., 1995, p. 874).

The technocentric worldview contends that humankind is separate from and superior to nature; accordingly, humans have a right to master natural creation for their benefit and the objectified natural world has only instrumental and typically monetarily quantifiable value as a commodity (Gladwin et al., 1995). This paradigm supports the thesis of corporate managers

as “ruthlessly hard-driving, strictly top-down, command-and-control focused, shareholder-value-obsessed, win-at-any-cost business leaders” (Ghoshal, 2005, p. 85).

The ecocentric paradigm rejects this hypothesis. It considers that nonhuman nature has intrinsic value, independent of human values and human consciousness, which places limits on the extent of human prerogatives to use and alter it (Gladwin et al., 1995). This worldview is the antithesis of technocentrism (Gladwin et al., 1995). It endorses the idea of corporate managers as radically altruistic and environmental activists (Gladwin et al., 1995).

The sustaincentric worldview rejects the moral monism of both instrumental (technocentrism) and altruistic (ecocentrism) mindsets in favour of moral pluralism (Gladwin et al., 1995). It assumes that economic and human activities are inextricably linked with natural systems (Gladwin et al., 1995).

Table 4 provides detailed descriptions of the environmental paradigms discussed by Gladwin et al. (1995).

Table 4. Alternative environmental paradigms*Source: Gladwin et al. (1995, p. 883)*

Key Assumptions	Technocentrism	Sustaincentrism	Ecocentrism
A. Ontological & Ethical			
1. Metaphor of earth	Vast machine	Life support system	Mother/web of life
2. Perception of earth	Dead/passive	Home/managed	Alive/sensitive
3. System composition	Atomistic/parts	Parts and wholes	Organic/wholes
4. System structure	Hierarchical	Holarchical	Heterarchical
5. Humans and nature	Disassociation	Interdependence	Indisassociation
6. Human role	Domination	Stewardship	Plain member
7. Value of nature	Anthropocentrism	Inherentism	Intrinsicism
8. Ethical grounding	Narrow homocentric	Broad homocentric	Whole hearth
9. Time/space scales	Short/near	Multiscale	Indefinite
10. Logic/reason	Egoist-rational	Vision/network	Holism/spiritualism
B. Scientific & Technological			
1. Resilience of nature	Tough/robust	Varied/fragile	Highly vulnerable
2. Carrying capacity limits	No limits	Approaching	Already exceed
3. Population size	No problem	Stabilize soon	Freeze/reduce
4. Growth pattern	Exponential	Logistic	hyperbolic
5. Severity of problems	Trivial	Consequential	Catastrophic
6. Urgency of solutions	Little/wait	Great/decades	Extraordinary/now
7. Risk orientation	Risk taking	Precaution	Risk aversion
8. Faith in technology	Optimism	Scepticism	Pessimism
9. Technological pathways	Big/centralized	Benign/decoupled	Small/decentralized
10. Human vs. natural capital	Full substitutes	Partial substitutes	Complements
C. Economic & Psychological			
1. Primary objective	Efficient allocation	Quality of life	Ecological integrity
2. The good life	Materialism	Postmaterialism	Antimaterialism
3. Human nature	Homo economicus	Homo sapient	Homo animalist
4. Economic structure	Free market	Green economy	Steady state
5. Role of growth	Good/necessary	Mixed/modify	Bad/eliminate
6. Poverty alleviation	Growth trickle	Equal opportunity	Redistribution
7. Natural capital	Exploit/convert	Conserve/maintain	Enhance/expand
8. Discount rate	High/normal	Low/complement	Zero/inappropriate
9. Trade orientation	Global	National	Bioregional
10. Political structure	Centralized	Devolved	Decentralized

Gladwin et al. (1995) specify that the sustaincentric paradigm is embryonic. It represents a tentative, preanalytic step forward in the search for a holistic framework of corporate sustainability. While the sustaincentric paradigm describes some plausible conditions of reconciliation, it falls short of bridging the gap between normative and operational by conceptualising the mechanisms of integration of ESR concerns into business strategies and

operations. Therefore it has been largely left aside by ESR research and criticised as an idealist construct inapplicable in the real world and lacking empirical evidence demonstrating its existence in practice, or as an ambiguously defined concept risking the co-option of ethics by business concerns (Banerjee, 2002; Valente, 2012). The driving forces of ESR integration remain under-explored and the need to address the lack of clarification discussed in Chapter 1 is a latent concern for management theorists. An integrative theoretical framework for informing the construct of a prescriptive theory of ESR integration is lacking. The prescriptive theory, as the literature review suggests, should establish a connection between the normative view (how firms should perform) and the empirical or positivist view (how firms really do perform) on ESR (Clarkson, 1995; Gond & Crane, 2010; Melé et al., 2011).

2.3.3. Research gap and conceptual directions

While ESR authors generally endorse theories which promote instrumental or ethical/altruistic corporate behaviours, the theoretical underpinnings of sustaincentrism remain under-explored. Valente (2012) confirms that our knowledge of the conditions that explain enactment of sustaincentrism is too limited despite the growing consensus among scholars and managers on the need for paradigmatic change. In reflecting on the processes which might promote this shift, Valente (2010) adopts an approach based on complexity science and the potential of complex systems theory. He thereby contributes by raising our understanding of the complexity and scale of the challenge at a societal level. As for the driving forces of sustaincentrism, the twofold emphasis of this study on external stakeholders relationships as dynamic capabilities on the one hand, and on emerging crises in the existing technocentric paradigm on the other hand, still places an emphasis on the technical, rational and economic drivers of change and rather neglects some of the firm-level processes and human behavioural issues involved in the change that would occur within a particular business.

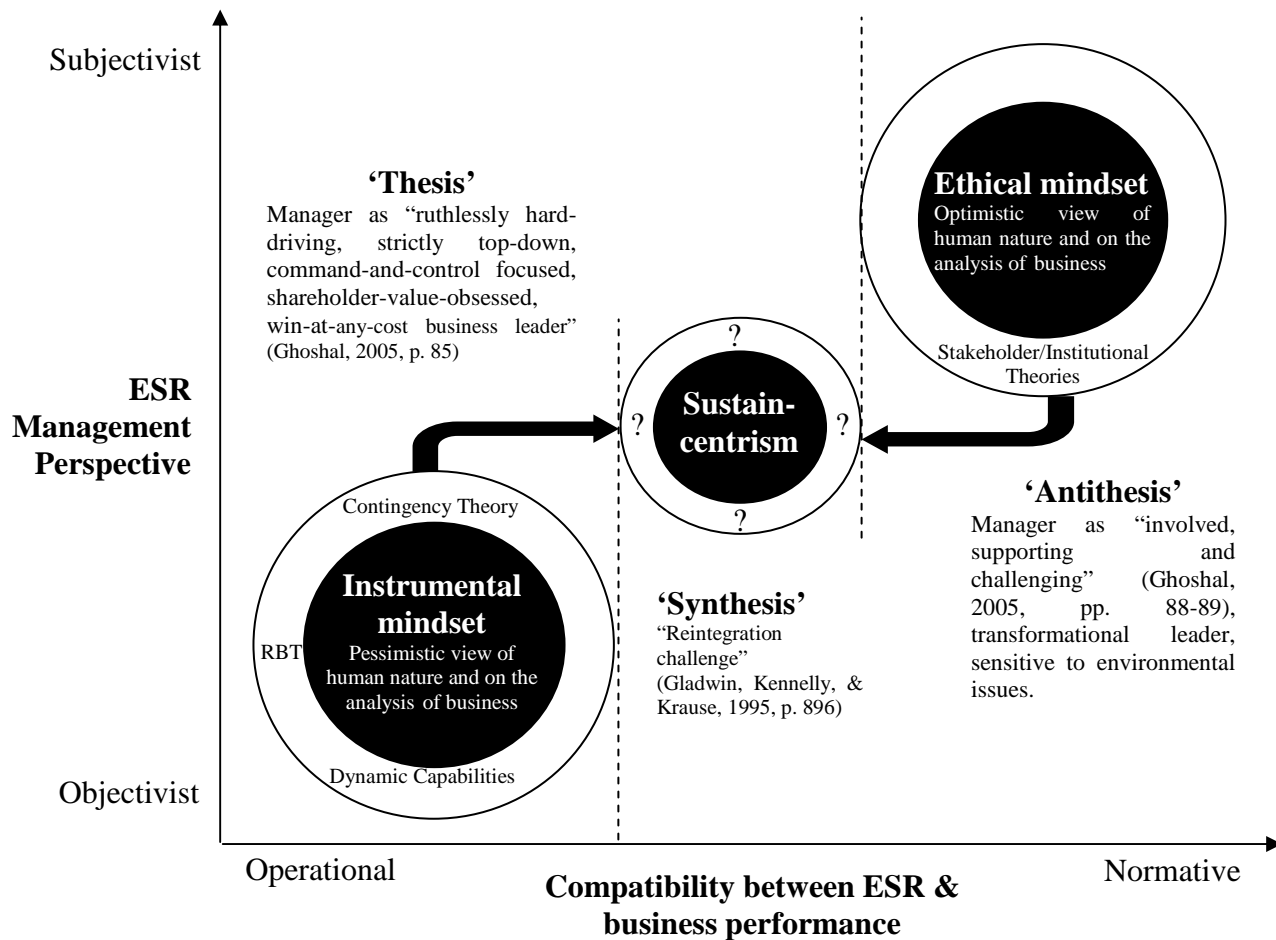
These issues are addressed more specifically by Starkey and Crane (2003) who propose the use of purposeful narratives within firms that aim to change the mental models applied by management to favour sustainability oriented approaches. Exactly how such narratives can gain credence and challenge the existing management paradigm however remains under-explored. Narratives are often identified as key interpretive frames of reference drawn from human thoughts and concepts (Boje, 2001). What dictates the way we think of, and conceive, sustainability challenges in business is a latent concern for management theorists seeking to

inform the construct of a paradigmatic transition in the realm of management. In order to challenge existing as well as emergent narratives and patterns of thought, management theorists and practitioners ought to construct and develop an alternative theoretical frame of reference; one that is specifically conceived to respond to the call for a prescriptive and integrative framework of business sustainability

Figure 1 illustrates the reintegration challenge in the form of an orthogonal graph. The question marks surrounding the 'sustaincentrism' circle symbolise the research gap that this thesis seeks to play a part in exploring and perhaps filling. The parameters (or scale values) on the vertical and horizontal axis reflect the assumptions drawn from the literature review and endorsed in this thesis to explore the challenge of reintegration of objectivist/subjectivist ESR management perspectives and operational/cognitive aspects of compatibility between ESR and business performance.

Figure 1. Illustrating the reintegration challenge: towards a prescriptive theory of ESR integration

Source: author's own construction.



To fill the gap sketched in Figure 1, ESR integration is explored in this thesis both as a compatibility issue and as a (broader) managerial challenge.

2.3.3.1. Towards an integrative compatibility framework

Insights from the way companies innovate and manage knowledge are discussed in this Chapter to provide a constructive base for developing new theoretical insights on the construct of ESR integration. Surroca, Tribó, and Waddock (2009); Etzion (2007), and Newman (1993) suggest that innovativeness relates to environmental performance by allowing a shift away from current practices in which environmental considerations are considered secondary, and developing new, more encompassing practices, in which environmental impact plays a more central role. ESR may as such be construed as the product

of innovative capabilities. The concept of compatibility received particular attention by authors in the organisational innovation literature (Rogers, 1983, 1995; Tornatzky & Klein, 1982). The theoretical assumption, drawn from Tornatzky and Klein (1982), is that the compatibility of ESR to the company (as potential adopter of the 'innovation') is positively related to adoption and implementation of a green response.

In the ESR literature, Usunier, Furrer, and Furrer-Perrinjaquet (2011); and Quairel-Lanoizelée (2011) use the term 'compatibility' to investigate the relationship between ESR and economic/competitive performance. Yet, the concept is not used as a key element of the focal studies. The definition of compatibility is a recurring concern for researchers in the field of innovation. Rogers (1983, 1995) defines compatibility as the degree to which adopting an innovation is perceived as consistent with the existing socio-cultural values and beliefs, past and present experiences, and needs of potential adopters. Tornatzky and Klein (1982) propose two definitions of compatibility in the innovation characteristics literature: cognitive/normative and operational/practical. Cognitive/normative compatibility refers to what potential adopters feel or think about an innovation (Tornatzky & Klein, 1982). Operational/practical compatibility confers the extent to which an innovation harmonises with what potential adopters do and with issues such as structures and systems (Tornatzky & Klein, 1982).

Consistent with the conceptual definition of Tornatzky and Klein (1982), responsiveness to environmental issues is argued to depend on both what business agents feel or think about environmental issues (cognitive/normative compatibility) and the compatibility of environmental responsiveness with what the firm does (operational/practical compatibility). The implication for successful ESR integration perspectives is twofold: (i) corporate managers and employees will need to be attuned to and promote the salience of environmental responsiveness; (ii) ESR will need to be compatible with the firm's strategic imperatives and operational contingencies related to existing products, services and organisational capabilities. The operational and normative aspects of compatibility are sketched in Figure 1 as 'minimal and optimal scale values' of the horizontal axis. The following Chapter revisits the construct of ESR integration by examining the compatibility issue.

2.3.3.2. Towards a prescriptive syncretistic perspective

Chapter 4 examines another, more holistic, contention – one between constructionist contingencies and systemic contingencies – to explain the enduring gap between corporate greening and corporate status quo. The concept of syncretism is explored; linking back to its ideological roots in the fields of religion and culture. Religion has been one area that researchers have looked into as a source of value systems and codes of conduct that can offer alternatives to conventional management wisdom (see for example: Dyke & Schroeder, 2005; Lamberton, 2005). As a case in point, Gladwin et al. (1995, p. 890) indicate that sustaincentrism draws its inspiration partly from “claims of the universalism of life” and “the stewardships admonitions common to the major religions”. Syncretism may represent an interesting avenue for theorists and researchers to explore since it explains how religious systems of belief influence, evolve and interact with other value systems. Berger et al. (2007) raised the potential of this concept to explain the dynamics between economic (or objectivist) and non-economic (or subjectivist) aspects of ESR integration sketched in Figure 1 (p. 31) as ‘minimal and optimal scale values’ of the vertical axis.

3. Revisiting the construct of ESR integration

The clarification of ESR integration is construed in this Chapter as a compatibility challenge. ESR researchers have often exclusively or inclusively examined two scenarios (or dimensions) of compatibility between ESR and business performance: win-win and trade-off. Existing one-dimensional [e.g. Hahn et al. (2010) analyse the notion of trade-off] or two-dimensional frameworks [e.g. Porters and Kramer (2011) corroborate the existence of trade-offs and synergies] are argued to lack accuracy. They fail to reflect the multi-dimensional construct of ESR integration which, as Porter and Kramer (2006); and Siegel (2009) indicate, demands reflection upon the compatibility of ESR with corporate strategies and operations. Corporate strategies and operations, Swanson (1999); and Gond and Crane (2010) argue, are driven by both individual inspirations (normative/cognitive aspects) and business aspirations (operational aspects). A research gap discussed in Chapter 2 is the failure to explicitly integrate the cognitive/normative and operational/practical aspects of compatibility between green and business performance in ESR research.

Prior to reflecting on the compatibility issue, section 3.1 defines the construct of the framework. The notions of ESR and business performance are decomposed into the variables green and EFF². Section 3.2 reviews the literature to unravel different scenarios of compatibility between the construct variables. The objective is to develop a more holistic and comprehensive construct; a challenge set by, e.g., Shelton (1994), Clarke (1994); Hass (1996); Buysse and Verbeke (2003); Jamali (2006); Gond and Crane (2010); and Porter and Kramer (2011).

3.1. Defining the construct variables

The term 'green' emerged in the management literature in the 1990s (Peattie & Charter, 1997). It is used in numerous studies to symbolise a company's pro-environmental reputation and/or performance (see for example, Ambec & Lanoie, 2008; Boiral, 2009; Florida, 1996; Hart, 1997; King & Lenox, 2001a, 2001b; McCrea, 2010; Molina-Azorín et al., 2009; Peattie, 1992, 2001; Porter & van der Linde, 1995a; Rothenberg, Pil, & Maxwell, 2001; Schendler, 2009; Siegel, 2009; Simons & Mason, 2003; Winston, 2009). In this thesis, the utilisation of 'green' is assumed to reflect a firm's aspiration to minimise its harmful impact on the environment. Mazurkiewicz (2004, p. 2) defines green (or ESR) as "the duty to cover the

environmental implications of the company's operations, products and facilities; eliminate waste and emissions; maximise the efficiency and productivity of its resources; and minimise practices that might adversely affect the enjoyment of the country's resources by future generations".

A firm's environmental responsibility (or green performance) generally relates to the issues of waste accumulation, 'emissions' (greenhouse gases such as CO₂, CFCs or methane, emissions to water generated by, e.g., agriculture), degraded water, resource depletion and loss of biodiversity. Peattie (1992) and Hart (1997) distinguish between two types of resources: non-renewable and renewable. Non-renewable resources are finite; they include oil, metals, and other minerals (Hart, 1997). Renewable resources will replenish themselves so long as their use does not exceed critical thresholds; they include soils and forests (Hart, 1997). Paradoxically, the greatest threat to sustainable development is advanced by Hart (1997) to be the depletion of the world's renewable resources. The 'take, make, waste' business model (Hawken et al., 2002) – which is typically energy and resource intensive (McDonough & Braungart, 2002) – has generated rapid industrial development (Hart, 1997). Meanwhile, it has also tended to accelerate the depletion of forests, soils, water and fisheries through the extraction and disposal of resources at rates or in forms beyond that which nature can absorb (Gustashaw & Hall, 2008). The capacity of the ecosystem to serve human well-being through, e.g., clean water provision, storm protection, constant stream flow (Fisher, Turner, & Morling, 2009) has been greatly altered by human domination of the biosphere (Kremen, 2005). In line with Gladwin et al. (1995), an increasing number of business/management scholars in the field of ESR are focusing efforts to propose alternative ways of *doing business* by examining green as a business strategic and operational imperative. For example, Braungart and McDonough (2008, p. 62) call for a "business/production system" that will:

- "Release fewer pounds of toxic wastes into the soil and air;
- Measure prosperity by less activity;
- Meet stipulations of thousands of complex regulations to keep people and natural systems from being poisoned too quickly;
- Produce fewer materials that are so dangerous that they will require future generations to maintain constant vigilance while living in terror;
- Result in smaller amounts of waste and put smaller amounts of valuable materials in holes all over the planet, where they can never be retrieved".

EFF²

EFF² is the chosen acronym for operational and economic efficiency and effectiveness; that is, the capability to meet objectives (or business aspirations) of growth, productivity increase and profitability. Porter's (1985) value chain and the concept of lean and green (King & Lenox, 2001b; Simons & Mason, 2003) both integrate efficiency (time compression, cost reduction) and effectiveness (value enhancement) as key performance indicators for companies. The concept has originally been developed in the works of early strategy authors such as Drucker (1954), Lewin (1951), Reddin (1970) and Ackoff (1988).

Efficiency – defined by Reddin (1970) as the ratio of output to input – is concerned with doing things right; effectiveness with doing the right thing (Drucker, 1954). EFF² is determined relative to one or more targets or output requirements (Ackoff, 1988; Reddin, 1970). While the value of these targets is not relevant to the determination of efficiency, it is relevant to the determination of effectiveness (Ackoff, 1988).

In Figure 2 (p. 40), an 'efficiency versus effectiveness' matrix is proposed. It contends that efficiency is determined by the journey – i.e. time and innovation (as the evolution of knowledge and product/service quality within a company) or experience and learning (doing the same old thing over and over again but with gradually increasing efficiency) – and effectiveness relates to the nature of the target. The matrix incorporates different scenarios abbreviated as EFF², EFF⁽⁻²⁾ and (in)EFF².

In line with the concept introduced by Drucker (1954) and the absorptive capacity theory (W. M. Cohen & Levinthal, 1990), the determination of efficiency and effectiveness is understood to be linked to three characteristics: (i) the firm's capacity to build awareness, (ii) the ability to identify the target – e.g. customer satisfaction or societal/environmental responsibility?; and (iii) the ability to understand the implications this holds for business efficiency as the journey to achieving the target. With this insight, business operations, units or divisions may be designed or redesigned more effectively.

In their extended version of the value chain, Porter and Kramer (2006) commend the target to be the creation of shared value. They suggest that the journey represents value chain processes designed to reinforce improvements in the social/environmental dimensions of context (Porter & Kramer, 2006). A similar idea can be found in lean thinking insofar as lean is now

frequently associated with green (see for example, Gustashaw & Hall, 2008; King & Lenox, 2001a, 2001b; Simons & Mason, 2003; Wehrmeyer, Leitner, & Woodman, 2009). Therefore, the focus of lean seems to have shifted from producing value to businesses and customers to producing value to businesses and society/environment with green performance as the new 'motto'.

It follows that, by exploring the compatibility of environmental responsiveness with EFF², this thesis draws largely from the works of Porter and colleagues' (Porter & Kramer, 2006; Porter & van der Linde, 1995a, 1995b); and the lean and green concept (King & Lenox, 2001b; Simons & Mason, 2003). The study adopts Ducker's (1954) definition of the EFF² concept and Tornatzky and Klein's (1982) conception of 'compatibility'. The intent is to develop a heuristic framework for understanding the impact of green on what the company conceives to be both the right thing to do (effectiveness, cognitive/normative compatibility) and the right way to do things (efficiency, operational/practical compatibility).

The notion of effectiveness in strategy-making is essentially about the future (S. Kaplan & Orlikowski, 2007). In line with S. Kaplan and Orlikowski (2007), a manager's conception of EFF² is understood to mirror his/her choice of strategic actions to achieve competitive advantage in the short or long-term. The choice of strategic actions is made by projecting into the future both in terms of possible trajectories (managers' diagnosis) and potential resolutions (managers' prognosis) (S. Kaplan & Orlikowski, 2007). These projections are critically shaped by the past (S. Kaplan & Orlikowski, 2007). Managers draw on and use repertoires of accumulated knowledge (S. Kaplan & Orlikowski, 2007). These repertoires both capture their attention and shape their interpretations of the current situation (S. Kaplan & Orlikowski, 2007). They can be recurrently reproduced thus acquiring structural properties; therefore, the strategy-making process can be quite routinised (S. Kaplan & Orlikowski, 2007). S. Kaplan and Orlikowski (2007) specify that managers may also act creatively to produce new interpretations and new decisions; particularly in response to changes in the environment. Such changes may unsettle or break routines and frames and create an opening for problematisation of the situation in a new way, for actors to draw on the repertoires differently than in the past and to project new trajectories for the future (S. Kaplan & Orlikowski, 2007). This links to the idea discussed in Chapter 2 of a positive correlation between corporate innovative capabilities and environmental management. Consistent with Kaplan and Orlikowski (2007), the determination of EFF² is argued to depend partly on both

the timescale managers consider and the impact environmental trends have on business activities.

Braungart and McDonough (2008, p. 65) argue that efficiency can be valuable “when implemented within a larger, effective system that intends overall positive effects on a wide range of issues – not simply economic ones”. The implication is that effective strategic vision determines the disaggregation of efficiency. For example, eco-effective visions may encourage companies to commit to a new paradigm that signals intention founded on ‘eco-friendly’ principles (Braungart & McDonough, 2008; Young & Tilley, 2006). Braungart and McDonough (2008, p. 182) provide an example: “when a business leader says, ‘we are going to make a solar-powered product,’ that is a signal strong enough for everyone to understand the company’s positive intentions, particularly since total and immediate change is difficult in a market dominated by status quo”. Eco-effectiveness may thus enable us to disaggregate efficiency into a number of components related to economic and environmental capital to propose an overall concept of combined green/business efficiency. An eco-effective company may thus propose to optimise the compatibility between green and EFF² by minimising pollution. This particularly links to Porter and van der Linde’s (1995a, 1995b) argument that all pollutions represent a form of inefficiency.

In elaborating on the rationale for linking efficiency and effectiveness, Mouzas (2006, p. 1127) explains that focusing on efficiency and neglecting effectiveness may generate “ephemeral profitability”. His empirical work indicates that, in many international companies, business managers focus on producing efficiency gains (Mouzas, 2006). In the same vein, Gladwin et al. (1995) indicate that the body of management theory emphasises what works (efficiency) over what is worth pursuing (effectiveness). This bias towards business efficiency may conspire against business objectives of differentiation and sustainable growth (Gladwin et al., 1995; Levitt, 2004; Mouzas, 2006). As a case in point, the Enron scandal is partly explained by Petrick and Scherer (2003, p. 38) to be the result of a focus of top management on short-term gains “at any cost”. Enron’s business model inhibited well-intentioned employees from doing the right thing (i.e. effectiveness) and turned out to be unsustainable and illegal (Petrick & Scherer, 2003). Referring to the Ford manufacturing checklist for mass production, efficiency is traditionally designed to increase power, accuracy, economy, system, continuity and speed (Braungart & McDonough, 2008). It relies on a seemingly endless supply of natural capital for making and delivering a product to a customer quickly and

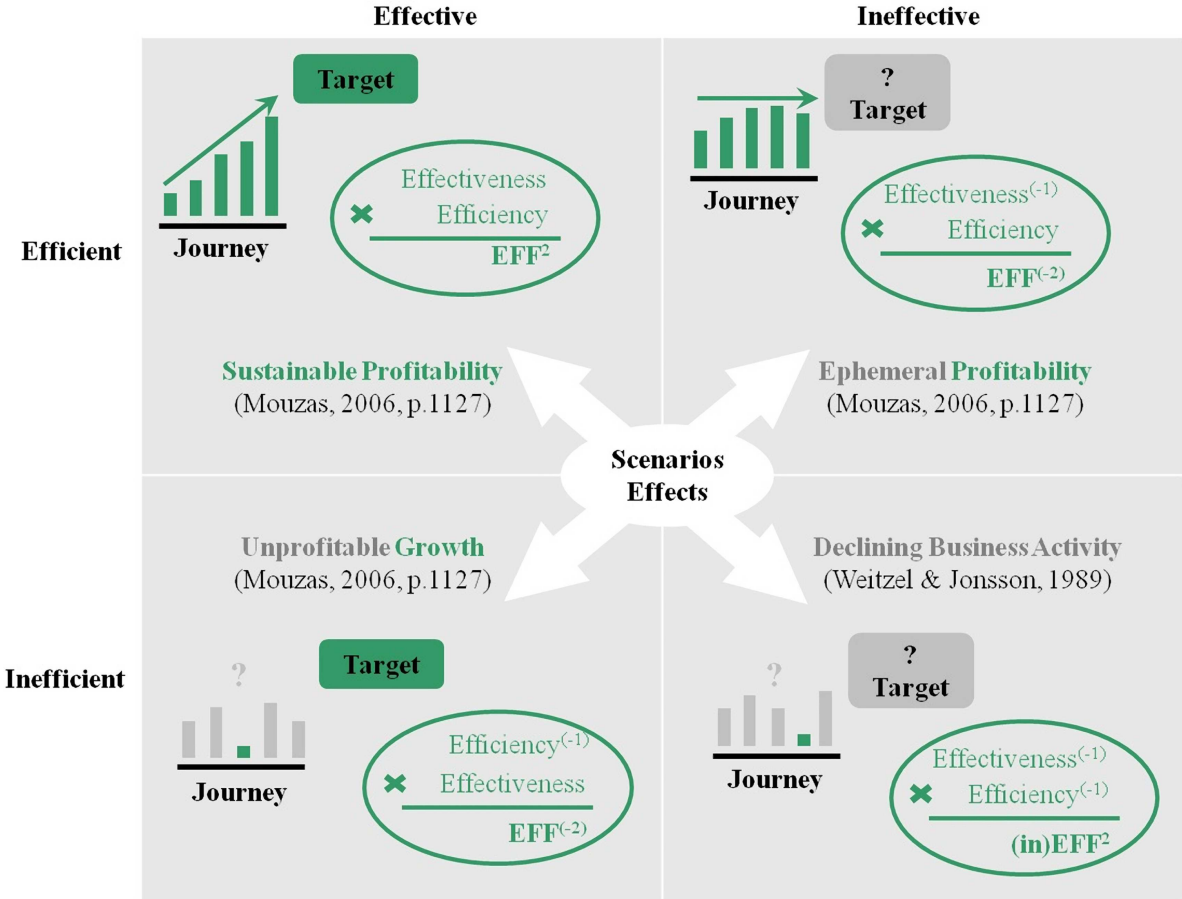
cheaply without considering much else (Braungart & McDonough, 2008). Peattie and Charter (1997) specify that the argument of efficiency bias as anti-catalyst to sustainable growth was popular in the mid-late 1980s. It was a reaction to the 'efficiency-based' strategies of the 1970s which were themselves a reaction to the oil shocks of the first half of that decade (Peattie & Charter, 1997). This historical note highlights how a firm's conception of EFF² may relate to environmental trends.

The reverse pattern discussed by Mouzas (2006) consists of focusing on effectiveness and neglecting efficiency. This generates "unprofitable growth" if the opportunity cost of capital is higher than the resulting profit (Mouzas, 2006, p. 1127). The conclusion of Mouzas (2006) is twofold: (i) companies are to view efficiency as a necessary, yet insufficient, condition for sustainable growth; (ii) companies are to consider effectiveness not as an absolute output but as a continuous process impacting on their surrounding networks. He hence advocates a balanced approach that aims at high efficiency and high effectiveness as a means to pursuing "sustainable growth" (Mouzas, 2006, p. 1127). Sustainable development, according to Buyse and Verbeke (2003); and Hart (1995) requires a long-term vision shared among all relevant stakeholders and strong moral leadership propounding "healthy principles" (Braungart & McDonough, 2008, p. 183).

If, by contrast, companies operate inefficiently and ineffectively – i.e. (in) EFF²; the interpretation may be that they are in decline, the result of which can be their demise if they operate in a dynamic and competitive market. Weitzel and Jonsson (1989) define decline in organizations as to move through different stages amongst which a failure to anticipate or recognise the deterioration of business performance and the need for change. This signals impaired effectiveness. Ineffective organisations are less perceptive than effective ones (Weitzel & Jonsson, 1989); their difficulties in business may cause them to be excessively inwardly focused. Another stage of decline consists of organisations taking inappropriate or faulty actions or failing to stop the progress of decline (Weitzel & Jonsson, 1989). This signals inefficiency. Organisations which fail to adjust their strategies and operations to their environment, Audretsch (1995) contends, are confronted with a lower likelihood of survival in changing and highly innovative environments. The achievement of a balanced EFF² approach that fosters sustained growth depends on how broadly companies define the scope of their activities and, notably, how carefully managers gauge customers' needs (Levitt, 2004).

Figure 2 illustrates the argument with a synthesis of different scenario effects.

Figure 2. The efficiency versus effectiveness matrix and scenarios effects
Source: author’s own construction.



In summary, this thesis proposes to use EFF² as a central term in assessing business performance whether its application is on the economic (or financial), operational or strategic context of performance. The works of Mouzas (2006); Weitzel and Jonsson (1989); Audretsch (1995); and Levitt (2004) suggest that the EFF² rationale is a logical aspiration for businesses seeking to be effective in responding to changing environments and achieving sustainable growth. Huczynski and Buchanan (2007, p. 529) explain that “the environment within which managers work and make decisions does not consist of a simple set of objective conditions which are just ‘given’.” In line with Watson’s (2002) definition of managerial enactment, the business strategic environment determines how managers interpret the EFF² concept and how they discern and decide upon what is the right thing to do and what is the right way to do things.

As a response to the call for clarification/objectification of ESR integration, this Chapter goes on to elaborate on the compatibility between green and EFF².

3.2. Green-EFF² compatibility scenarios

While the work of Porter and Kramer (2006) contributes to illuminate the way in which ESR can be ‘profitably’ integrated by raising awareness on the impacts of businesses’ internal processes and external influences on strategy development, they remain relatively implicit in defining the relationship between businesses and the environment. They point to the tendency of businesses to be mired in perceiving negative correlations or the “friction” between business performance and ESR (Porter & Kramer, 2006, p. 84). By further adhering to the view that there are opportunities for businesses to benefit from ESR initiatives and build interdependent correlations (by identifying the “points of intersection”), Porter and Kramer (2006, p. 84) implicitly acknowledge the existence of different levels of compatibility between green and EFF². They notably contend that organisations are to “move beyond trade-offs” to envision opportunities for shared value creation and support the idea that ESR must achieve a fit with business internal and external contingencies (Porter & Kramer, 2011, p. 64).

In the same vein, Barnett (2007); and Carroll and Shabana (2010), argue that the impact of ESR on Corporate Financial Performance (CFP) varies from one firm to the other; in particular, such variation may be attributed to factors specific to each situation. For instance, ‘clean’ technologies may lead to economic benefits for adopting firms in the form of reduced energy bills, material cost savings and/or greater revenues (del Río González, 2009). End-of-pipe technologies, in contrast, only involve sunk costs and do not lead to an increase in the efficiency of the production process (del Río González, 2009).

The ‘contingency’ perspective advocated by Barnett (2007); Carroll and Shabana (2010); and Porter and Kramer (2011) entails that some forms of ESR may pay off for some firms at some points in time – e.g. cleaner technologies involve significant upfront investments which are anticipated to pay off in the long run; although all ESR activities are not profit maximising. The contingency perspective supports the idea that there is no ‘universal’ rate of return in business commitment to the environment and/or society.

Siegel (2009) explains that ESR integration may be construed as a response to the perception or existence of a market failure – i.e. instances where there is a divergence between the private and social cost of a firm’s actions (Siegel, 2009). ‘Externalities’ such as pollution and environmental degradation – e.g. global warming, acid rain, and deforestation – may cause the emergence of external costs to the firm and create instances of divergence between the private and social costs. The negative effect of external costs on financial performance provides a rationale for firms to go beyond regulatory compliance to provide ESR and, in doing so, alleviate market failure (Siegel, 2009). While valuing external costs is one way forward to analyse the environmental and economic cost and benefits in business – notably through full cost accounting (Antheaume, 2004); Lohmann (2009) suggests that the challenge of ESR integration is to go beyond full cost accounting to identify where or how external costs are produced. Full cost accounting, according to Lohmann (2009), focuses on means of achieving short-term efficiency. While the tool may inform the design and selection of ‘greener’ products, processes and projects (Gladwin et al., 1995); it fails to stimulate social thinking about long-term directions and the drawbacks of having to monitor geographically distant effects (Lohmann, 2009). By stimulating social thinking, firms may create premises for reinforcement of the compatibility between green and EFF². Pivato, Misani, and Tencati (2008) explain that examining specific drivers of societal performance rather than its indicators (e.g. full cost accounting) would be more beneficial.

An assumption is that the compatibility between green and EFF² is multi-dimensional and inclusively driven by economic rationality and moral/emotional commitment of business agents. To construct the semantic of different scenarios of compatibility, existing research items are essentially drawn from studies of the link between CFP and ESR (operational/practical compatibility); and intangible variables such as managers’ perceptions, business reputation, leadership context, etc (normative/cognitive compatibility). The literature review leads to the framing of the compatibility between green and both the effectiveness and efficiency of businesses in four scenarios: trade-off, ambidexterity, synergy and symbiosis.

3.2.1. Trade-off

Trade-off exists when EFF² and green initiatives are (or are perceived to be) in conflict instead of reinforcing one another. It is a stage of relative incompatibility between green and EFF² which contests the assumption that economic, environmental and social aspects are

mutually reinforcing. Walley and Whitehead (1994, p. 46) indicate that, “responding to environmental challenges has always been a costly and complicated proposition for managers; [...] win-win situations ... are very rare and will likely be overshadowed by the total cost of a company’s environmental program”. Colby, Kingsley, and Whitehead (1995) highlight the cost of ESR. They explain that, while some environmental issues may be easily resolved, trade-offs are concerned with the emergence of other environmental challenges and necessary concomitant expenses (Colby et al., 1995). Devinney (2009) argues that corporations can never be truly socially responsible because they have conflicting virtues and vices:

“...the holy grail of CSR – ‘doing well by doing good’ – is an illusory goal that is noble in spirit but unachievable in practice...Corporations can be made more ‘virtuous’ on some dimensions, but this will invariably involve a price on other dimensions” (Devinney, 2009, pp. 45-46).

Porter and Kramer (2006, p. 84) point to the tendency of businesses to perceive negative correlations or the “friction” between business performance and ESR. Boyle, Higgins and Rhee (1997); and Wright and Ferris (1997) can be cited among the studies reporting a negative relationship between corporate social or environmental performance and financial performance. The rationale is that green constrains the firm’s capacity to effectively achieve its financial objectives, thereby creating an EFF⁽⁻²⁾ (hypothetically efficient yet ineffective) effect. An assumption drawn from Lohmann (2009) is that the internalisation of external costs often leads to trade-off situations although these cost reflect distortions in the market that tend to be accepted as normal. Hahn et al. (2010) remark that trade-offs between business economic and environmental performance have not been extensively examined in the management literature. Deeper understanding of trade-offs – via conceptual and empirical explorations – is commended by Margolis and Walsh (2003) in order to clarify the relationship between economic and non-economic aspects of corporate activities.

In trade-off situations, it is impossible to achieve two or more divergent objectives simultaneously. A gain in one dimension incurs a loss in other dimensions (Hahn et al., 2010). Some authors, for example, elicit contingencies of operational incompatibility between lean and green. Rothenberg, Pil and Maxwell (2001) found a negative relationship between lean management practices and reduction of air emissions of volatile organic compounds (VOC). The authors point to a trade-off effect between lean manufacturing techniques and VOC

emissions³. They also signal that lean plants are sometimes driven to compromise some of their lean management principles in order to reduce their emissions (Rothenberg et al., 2001). In Japan, for instance, plants have altered their ‘just-in-time’ delivery system to reduce congestion and urban air pollution (Cusumano, 1994).

Cruz Machado and Duarte (2010) question the applicability of lean principles. They note that, while lean principles call for distances on a firm’s supply chain to be as short as possible, an increasing number of MNCs are taking advantage of the low cost of labour in developing countries; as a result transportation links are lengthened and the impact on the environment is strengthened (Cruz Machado & Duarte, 2010). The implication is that the achievement of EFF² in contemporary firms does not rigorously align with lean principles and can generate a negative effect on corporate environmental performance – particularly in the context of distribution processes.

Trade-off implies that business strategies intended to enhance operational efficiency and effectiveness can delay, prevent or debase green performance. In exploring the general concept of sustainable economics, Goerner, Lietaer and Ulanowicz (2009) acknowledge the existence of trade-offs between ESR and the efficiency and resilience of the economic system. They comment: “blind obsession with GDP growth, efficiency and maximising profit for owners regardless of the costs to anyone or anything else set neoliberal economics at odds with workers, consumers, small business and the environment” (Goerner et al., 2009, p. 81).

Hahn et al. (2010) stress the key role of individual decision-makers in contributing to trade-off situations; in particular, the perceptions, motives, values and decisions of single actors within an organisation are argued to potentially act as triggers for the construction of bias or conflicts of interest vis-à-vis environmental performance. This refers to situations where, e.g., individuals’ self-advancement or quest for self-actualisation (including pecuniary or hierarchical promotion) within a firm has a pernicious influence on their decisions regarding ESR performance. McCrea (2010, p. S60) explains that “perceptions that green is a transient strategy, or one that will cost an awful lot of money, for example, tend to stand in the way for many shippers – despite their supply chain manager’s good intentions” – a pattern captured by Petrick and Scherer (2003) in their analysis of the Enron scandal. This negative approach to

³ This conclusion is drawn by Rothenberg et al. (2001) on two surveys of 31 automobile assembly plants in North America and Japan, which contain information on manufacturing practice and environmental performance, as well as in-depth interviews with 156 plant level employees at 17 assembly plants.

green may translate into low absorptive capacity with regard to environmental innovation (W. M. Cohen & Levinthal, 1990). The ‘pay-off’ timescale accepted at managerial level may determine a firm’s absorptive capacity and the relevance of ESR. Companies willing to accept short-term pay-offs may perceive green as incompatible with EFF² (Hahn et al., 2010; Siegel, 2009) under the assumption that green requires significant investments and produces long-term financial returns.

The question now arises as to whether certain trade-off conditions are systematic – e.g. end-of-pipe technologies. While certain trade-off situations may be reversible, requiring investments, operational changes and/or realignment, would an analysis of the compatibility between green and EFF² validate a concept of mechanistic trade-off – i.e. a pattern of default incompatibility between green and EFF²?

Hahn et al. (2010) argue that trade-offs and conflicts in corporate sustainability are the rule rather than the exception. They assume that trade-offs are to be accepted as the ‘normative’ premise upon which substantial sustainability or ESR benefits may flourish (Hahn et al., 2010). Porter and van der Linde (1995b); and Orlitzky (2005) contest this rationale arguing that framing environmental improvement as involving a systematic trade-off between social or green and private benefits is incorrect. They contrast the view of Hahn et al. (2010) arguing that the idea of a programmatic struggle between ecology and the economy as to emanate from a static view of environmental contingencies in which technology, products, processes and customer needs are fixed entities (Porter & van der Linde, 1995b). However, green-EFF² performance rests not on optimising within fixed constraints but on the capacity to shift the constraints through innovation and improvement (Huczynsky & Buchanan, 2007; Mouzas, 2006; Porter & van der Linde, 1995b). This challenges the case for trade-offs as the normative approach and implies that a broader scope of analysis accounting for innovation and improvement capabilities may be required. In line with Usunier et al. (2011), business operations may be assigned ESR integration scenarios wherein green and EFF² are (or perceived to be) compatible. This follows the idea of “moving beyond trade-offs” to envision opportunities for shared value creation (Porter & Kramer, 2011, p. 64).

The following discussion enlarges the scope of analysis to embed three additional ESR integration scenarios: ambidexterity, synergy and symbiosis.

3.2.2. Ambidexterity

A recurring argument in a variety of management literatures is that successful organisations in a dynamic environment are ambidextrous. The notion of strategic ambidexterity relates to the simultaneous capacity of an organisation to be aligned and efficient in managing business demands and to be adaptive enough to changes in the environment (Duncan, 1976; Tushman & O'Reilly, 1996). Tushman and O'Reilly (1996) explain that ambidextrous organisations are needed to operate part of the time in a world characterised by periods of relative stability and incremental innovation, and part of the time in a world characterised by revolutionary change. They suggest that ambidexterity may require that exploitation – i.e. efficiency, increasing productivity, control, certainty and variance reduction – and exploration – i.e. search, discovery, autonomy, innovation and embracing variation – be pursued simultaneously, with separate subunits, business models and distinct alignments for each (Tushman & O'Reilly, 1997). Ambidexterity, in the context of strategic change and new product development, requires not only separate structural subunits for exploration and exploitation but also different competencies, systems, incentives, processes and cultures – each internally aligned (O'Reilly & Tushman, 2008).

In reflecting on the compatibility between green and EFF², one interpretation of ambidexterity is that it may consist of establishing separate environmental/sustainability structural sub-units and building adapted competencies, systems, incentives, processes and cultures for ESR integration. A separate business unit, run by a Chief Sustainability Officer (CSO), may bridge departmental rivalries and contribute to the promotion of a view of sustainability as integral to the business principles of the organisation (McNulty & Davis, 2010). To this argument, McNulty and Davis (2010, p. 137) counterpoise the assertion that seeking to provide ESR by “adding another layer of bureaucracy in the form of a CSO is not the answer”. It may generate organisational silos and internal boundaries within which knowledge, expertise and resources are confined, hence difficult to transfer across the company (Gulati, 2007). To transcend these barriers and embark on “silo-busting” (Elkington, 2004, p. 14; Gulati, 2007), ESR integration should instead be the job of CEOs. McNulty and Davis (2010) enumerate four reasons to explain why CEOs are competent to do this. First, CEOs have more influence within the company to champion and effect positive change. Second, they would better mobilise suppliers, reassure customers. The third reason is that CEOs are ultimately more accountable to the board of directors, shareholders, government policy makers and

nongovernmental organisations. They would finally have better insight into the relationship between sustainability and corporate strategy and vision. Pujari, Peattie, and Wright (2004) corroborate the importance of top management support in proactively integrating environmental issues at product development level. Strategic decisions relating to environmental responsiveness and product development include financial analysis and market assessment to determine resource commitments, identification of target markets and initial go/no go decisions (Pujari et al., 2004). These decisions all require senior management involvement and approval to progress (Pujari et al., 2004).

In discussing the fictional case study of Narinex (an electronic components manufacturer), McNulty and Davis (2010) explain that, CSO or not, in the absence of a relevant vision, goal or target (or even any guiding values or principles), Narinex's sustainability initiatives will remain elusive, and the firm will increase its exposure to risk, miss business opportunities, or both. In summary, while ambidextrous strategies, such as the decision to hire a CSO, may be envisaged to demonstrate awareness to ESR matters; they may reduce the scope of business opportunities for achieving growth and gaining competitive advantage (McNulty & Davis, 2010).

Appropriating the notion of 'ambidexterity'

The notion of ambidexterity has never been explicitly examined as a scenario of compatibility between green and business performance. The debate around the concept of strategic ambidexterity mainly revolves around the processes of strategy formation and execution. While this debate informs the above discussion of sustainability sub-units, it copes poorly with the present attempt at identifying a scenario of neutral compatibility between green and EFF². A different conception of ambidexterity was found in Kollman and Stockman (2008); and Vazquez-Brust et al. (2009). They define it as the state of being equally adept in the advancement of both economic and environmental performance. The literature on ESR reveals at least two plausible matches for this definition of ambidexterity; one between green and consumption, the other one between green and financial performance.

In contrast to the idea that sales performance may be boosted by green credentials (Russo & Fouts, 1997; Siegel, 2009), Valor (2008), later echoed by Carroll and Shabana (2010), argues that consumers are not able to buy responsibly because it is a time consuming activity, economically disadvantageous and stressful. The implication is that a company may be able to

sell its products/services to consumers while simultaneously improving its environmental performance without a correlation between these two activities. In the same vein, a number of studies have found a relatively minor correlation between corporate social and environmental performance and the financial performance of a firm (see for example, Aupperle, Carroll, & Hatfield, 1985; Guerard, 1997; Ullman, 1985; Waddock & Graves, 1997).

The idea of ambidexterity is thus explored within a compatibility framework to challenge the assumptions that green and EFF² tend to either conflict (via trade-off) or be mutually reinforcing. It suggests that, under certain specified circumstances, it may be possible for organisations to pursue both green and economic performance with no significant relationship between them. The ambiguities of ambidexterity are about whether it is achieved sequentially or in parallel, at the business unit or organisational level, or how exactly these skills are acquired. By appropriating the idea of ambidexterity within the compatibility framework, this thesis aims to specify the nature of ambidextrous scenarios.

3.2.3. Synergy

Synergy implies a catalytic effect between green and EFF² in a mutually beneficial relationship. The notion of synergy, applied as a stage of compatibility between green and EFF², is acknowledged by, inter alia, Orlitzky, Schmidt and Rynes (2003); Dowel, Hart and Yeung (2000); Hillman and Keim (2001); Vershoor and Murphy (2002); and Salama (2005). These studies suggest a positive relationship between green and EFF². Initiatives to improve one variable generate or inform opportunities for improvement in the other variable. For example, productivity increase can be achieved through time minimisation and lower consumption of (potentially polluting) raw materials and semi-finished products (Gustashaw & Hall, 2008). Tate et al. (2010) report the example of Anheuser-Busch whose 'eco-efficient' redesign of cans reduced aluminium usage in 2006 by nearly 12 million pounds; the company's bottom line was therefore improved.

Consistent with the 'win-win' paradigm, Ambec and Lanoie (2008, p. 47) frame the positive links between environmental and economic performance by suggesting that expenses incurred to reduce pollution can partly or completely be offset by gains made elsewhere. They suggest that environmental responsiveness – e.g. invest resources to reduce pollution – may incur a positive impact on other contexts of performance related to EFF² – e.g. an increase in

revenues (effectiveness) or reductions in cost that signals improved efficiency (Ambec & Lanoie, 2008).

Carter and Rogers (2008) note that win-win situations will increasingly arise as energy prices inevitably increase and as greater transparency allows stakeholders to see further along an organisation's supply chain. Hart (1995, p. 1000) comments: "Increasingly, local communities and external stakeholders are demanding that corporate practices become more visible and transparent [...] To maintain legitimacy and build reputation, therefore, companies may need to open their operations to greater public scrutiny". The implication is that companies are increasingly solicited and pressured to explore the potential for synergies between green and EFF².

A number of conceptual and empirical studies suggest that ESR commitment enhance firm performance and competitiveness (see for example, Ambec & Lanoie, 2008; Hart, 1995; King & Lenox, 2001a, 2002; McCrea, 2010; Melnyk, Sroufe, & Calantone, 2003; Porter & van der Linde, 1995a, 1995b; Trung & Kumar, 2005). Kapoor and Sandhu's (2010) documentary analysis of 93 companies operating in India supports the case of synergistic compatibility between CSR and corporate financial performance; in particular, they report a significant positive impact of CSR on corporate profitability and insignificant positive impact on corporate growth. Similarly, an exhaustive literature review of quantitative studies that have examined the green management/financial performance link carried out by Molina-Azorín, Claver-Cortés, López-Gamero and Tarí (2009) shows a predominance of cases where a positive impact of environment on financial performance is obtained.

While synergies between green and EFF² may be explored and exploited by businesses, they arguably fail to explain the full potential of ESR activities. Shelton (1994); echoed by Peattie (2001), builds upon the case of Apple, Warner-Lambert and ABB to suggest that green-EFF² synergies based around cost-saving projects which save energy or reduce waste disposal costs (e.g. packaging reduction) constitute a basic yet relatively low level of ESR integration. They are metaphorically referred to as "low-hanging fruits" (Peattie, 2001, p. 137; Shelton, 1994). Once these 'fruits' have been picked and further environmental improvement require more radical changes, the greening process begins to clash with corporate culture and other corporate strategies and vested interests (Peattie, 2001; Shelton, 1994). Robèrt (2002) reports the example of a Swedish McDonald's who decided to switch from plastic covers on their

hamburgers to paper covers to improve their environmental performance. The switch turned out to be more environmentally harmful which further contributed to McDonald's reputation of ecological laggard and of a firm with only commercial interests (Robèrt, 2002). The gap between intentions and outcomes is explained by Robèrt (2002) to stem from a lack of awareness and integration of ESR at deeper managerial level. The realisation of green-EFF² synergies may also emerge from transient strategies intended to signal good corporate citizenship (McCrea, 2010). This approach is suggested by Williamson (1985, p. 47) to emerge from opportunistic behaviours; i.e. "self-interest seeking with guile".

Referred to by Shelton (1994) as "hitting the Green Wall", this pattern provides a rationale for examining another scenario of compatibility in which EFF² is more intrinsically linked to green.

3.2.4. Symbiosis

Chertow (2000) explains that, in venturing toward symbiotic compatibilities, meeting environmental targets becomes part of the firm's performance review. The notion of symbiosis endorses the assumption that ESR integration is mediated to a significant extent by intangible factors – e.g. corporate culture, visionary leadership, behavioural aspects, reputation management, etc. Symbiotic relationships may emerge from the way companies respond to a variety of broader pressures and/or strategic challenges, such as those associated with the evolution of regulations and market fluctuations. While the emergence of market failure and related social cost⁴ can justify government intervention, at the symbiosis level, companies choose to anticipate or go beyond environmental regulations to provide ESR (Reinhardt & Stavins, 2010; Siegel, 2009).

Managers' perception of the importance of green may generate a vision of green-EFF² symbiosis. The works of Sully de Luque et al. (2008); and Waldman and Siegel (2008) shed light on the role of strategic leadership and top management in building strong stakeholder values and inspiring high levels of concern for environmental issues. In a UK-wide survey of 1,500 managers, Wehrmeyer et al. (2009) identify a majority of managers who seek to integrate sustainability into their business processes on the basis of the benefits to the business

⁴ Examples of such external costs include pollution and environmental degradation, such as global warming, acid rain, and deforestation. To a typical lumber producer or a farmer, the forest has only an economic value. However, from a societal perspective, forests also have recreational, existence, and biodiversity value (e.g., witness the ongoing controversy surrounding the preservation of the rainforest in South America).

(36%). Wehrmeyer et al. (2009) note that such managers often operate in rapidly growing organisations and/or ‘vanguard’ companies which tend to bring environmental considerations into the mainstream of management activities and demonstrate that UK business cultures are changing in the light of the climate change challenge (Wehrmeyer et al., 2009). Rivera-Camino (2011) indicates that managers’ behaviours with respect to environmental policy is largely determined by social judgments and perceptions. Managers may perceive and act upon environmental pressures in accordance with the history of their firms’ environmental performance (Rivera-Camino, 2011) – linking to the idea of S. Kaplan and Orlikowski (2007) that a manager’s choice of strategic actions is critically shaped by the past.

The literature suggests that strategies of green differentiation represent a form of symbiosis between green management practices and brand image, reputation and competitiveness (Peattie, 1992; Siegel, 2009; Siegel & Vitaliano, 2007). Green may be used to support product differentiation, reputation/image enhancement and the improvement of relations with workers, customers, suppliers, government and the community (Siegel, 2009). Porter and Kramer (2006) provide the example of Credit Agricole (France’s largest bank) which has differentiated itself by offering specialised financial products related to the environment, such as financing packages for energy-saving home improvements and for audits to certify farms as organic. They also discuss the response of Toyota to concerns over automobile emissions with the example of the hybrid electric/gasoline vehicle: Toyota Prius (Porter & Kramer, 2006). It is the first in a series of innovative car models that have produced competitive advantage and environmental benefits. Marketing operations seeking to integrate green as a fundamental asset are thus understood to be the product of a vision in which green and EFF² are symbiotic.

Cherry and Sneirson (2011, p. 16) report the observation of activists and consumer ‘watchdogs’ that certain ESR claims can potentially be subject to “overstatement, inflation, or even outright deception”. Lyon and Maxwell (2011) frame a company’s act of ‘disclosing positive aspects of its environmental profile yet withholding negative aspects’ into the concept of “green wash”. The concept was originally coined in 1986 by environmental activist Jay Westerveld to define the promotion of specific green features of the business (e.g. reusing towels) whilst effectively intending to increase profits (e.g. saving money on laundry costs) and failing to address the environmental impact of the rest of the business (e.g. running a hotel). The implication is that the disclosure of a symbiosis between green and aspirational

marketing aspects of EFF² might overshadow weak environmental performance in other parts of the business. In other words, 'green wash' tends to exclude operational/practical compatibility between green and EFF²; it constitutes merely a type of normative/cognitive compatibility.

Pivato, Misani and Tencati (2008) provide empirical evidence to support the claim that trust is a central variable in many relationships between a company and its stakeholders. It represents a mediating variable which companies endeavour to exploit to improve competitive performance (Pivato et al., 2008) and lower the risk of opposition by stakeholders (Carroll & Shabana, 2010). Trust is often mediated through marketing activities which signal good corporate citizenship, especially in such areas as food or healthcare where trust is crucial in determining consumers' choice (Pivato et al., 2008). Engagement in ESR may strengthen firms' legitimacy and reputation, thereby potentially attracting consumers, investors and employees (Carroll & Shabana, 2010; Heikkurinen, 2010; Kurucz, Colbert, & Wheeler, 2008). Corporate reputation is defined by Heikkurinen (2010, p. 143) as "an intangible way to differentiate services and products from competitors". Building positive reputation can assure the social legitimacy of organisations. It reinforces the importance of corporate citizenship driven by ecological and social consciousness (Boiral, 2009).

The use of strategy, brand management and benefits of signalling good corporate citizenship moves ESR from being a minimalistic commitment or some social 'add-on' to becoming a strategic imperative (Faisal, 2010; Werther & Chandler, 2005). The strategic route to ESR integration may enable firms to communicate superior quality (Siegel & Vitaliano, 2007) – as in the case of vertical differentiation which occurs in a market where the several goods that are present can be ordered according to their objective quality from the highest to the lowest; e.g. given the same characteristics/features, consumers would prefer to own a more fuel-efficient vehicle (Siegel, 2009). It may also enable firms to appeal to specific consumer's tastes, beliefs as in the case of horizontal differentiation which defines products that are different according to features that can't be ordered in an objective way – e.g. consumer choice of brand is based on superior environmental performance (Siegel, 2009).

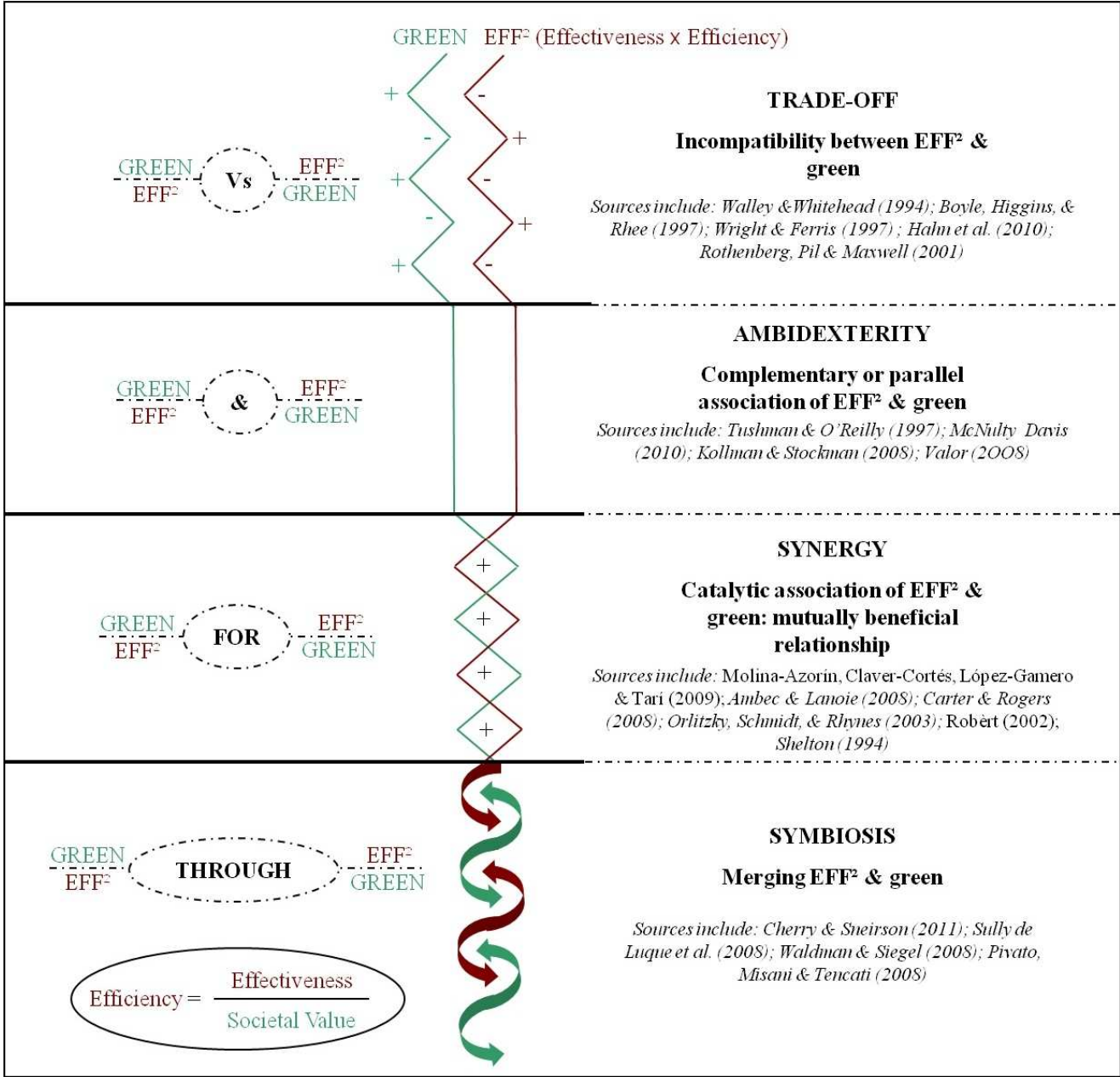
While the appropriation of ESR as a quality improvement is often transparent and visible to competitors, hence restraining the possibility for first mover advantage, engagement in ESR can also stimulate consumer loyalty and other (intangible) benefits that are uniquely valuable

to the company. This argument is illustrated by Porter and Kramer (2002) in an analysis of the advantages of corporate philanthropy. Porter and Kramer (2006) discuss the possibility of a “symbiotic relationship” between social progress and competitive advantage (Porter & Kramer, 2006, p. 89). Strategic ESR, Porter and Kramer (2006) argue, unlocks shared value by investing in social or environmental aspects of context that strengthen the company. A relationship of interdependency – a pattern of mutual reinforcement by default – is thus understood to be formed between the success of the company and the welfare of the community/environment. Symbiosis feeds into the formula, adapted from Reddin (1970), which contends that efficiency is the ratio of effectiveness to societal value; that is, in mathematical terms, $\text{efficiency} = \text{effectiveness} / \text{societal value}$. At the symbiotic level, the disaggregation of efficiency figures is developed to incorporate wider societal performance indicators, in particular environmental output.

Figure 3 illustrates the four compatibility scenarios and includes a link to some of the literature visited to describe them.

Figure 3. Framing corporate environmental responsibility into four green-EFF² compatibility scenarios: trade-off, ambidexterity, synergy and symbiosis

Source: author's own construction.



In summary, on the basis of a critical literature review, trade-off, ambidexterity, synergy and symbiosis are proposed as representing ‘generic’ integration scenarios in reference to which a firm can aspire to evaluate whether its activities reflect a positive (symbiosis and synergy), negative (trade-off) or neutral (ambidexterity) relationship between business economic and operational performance and green management. According to Shelton (1994); and

Rothenberg et al. (2001), theories that suggest a simple ‘win-win’ relationship do not accurately reflect the complexities related to the association of economic/operational performance with green. The four compatibility scenarios framework is proposed as a response to the view, notably defended by Waddock and Graves (1997), that the relationship between business (financial) and environmental performance may vary from negative to neutral to positive. The underlying assumption is that green-EFF² compatibility scenarios may manifest themselves simultaneously within a firm, yet in differentiated forms, depending on the way its functions and divisions interpret EFF² and influence ESR strategies and operations – as implied by Porter and Kramer’s (2006) value chain framework. Høgevold and Svensson (2012) observe that business sustainability is not about doing one thing, but doing many different things at the same time. Managing “different things” (Høgevold & Svensson, 2012, p. 149) might translate into the firm’s approach to trade-off, ambidexterity, synergy and symbiosis situations. In other words, the level of performance framed in Figure 3 arguably depends on the importance granted to ESR by strategic leaders within the company (Branzei, Vertinsky, & Zietsma, 2000; Sully de Luque et al., 2008; Waldman & Siegel, 2008) and how they reify the EFF² concept. An active and advanced search for compatibilities between green management and economic growth may be a common strategy among decision-makers of different industries in interaction or competition, outside or inside the same cluster of competition.

To achieve a strong level of ESR performance, Ghoshal (2005); and Gladwin et al. (1995) propose that business agents should conform to a holistic paradigm that explicitly (re)integrates ethical/moral concerns both in management theory and in the practice of management. Such a paradigm is currently lacking. The idea of holism applied to strategic management of sustainable development and ESR integration is gaining momentum in the literature (see for example: Berger et al., 2007; Carroll & Shabana, 2010; Ketola, 2010; J. Marcus et al., 2010; Reinhardt & Stavins, 2010; Robbins, Hintz, & Moore, 2010; Sonenshein, 2010; Valente, 2012; Visser, 2010). Holism defines any theory that contends that a whole system is more than the sum of its parts (Robbins et al., 2010). It implies that ESR integration requires not only an understanding of objective aspects related to green-EFF² levels of compatibility but also subjective influences inherent to human activities and influences. In the realm of environmental protection, the former points to systemic (macro/meso-level) challenges related to business economic and legal obligations towards green issues. The latter

consists of micro-level challenges – i.e. individuals' interpretation of the role of businesses in society and their conception of ESR.

The following Chapter explores a new line of thinking for addressing in more depth the reintegration dilemma discussed in section 2.3. The argument is that progress towards advanced level of compatibilities between green and EFF² can be facilitated when business organisations comply with 'syncretistic' management models.

4. The syncretistic perspective

A recent study conducted by Liu et al. (2012) on 165 Chinese companies supports the idea that a company's environmental performance is positively related to external pressures from regulations, domestic clients, business competitors and local communities. They also relate the influence of internal factors in determining the level of green performance across the supply chain (Liu et al., 2012). Such factors include the degree of support from top managers, the education level of employees and the frequency of internal environmental training (Liu et al., 2012). The proposition of Liu et al. (2012) that internal (or human) factors mediate the influence of external pressures illustrates the reintegration challenge discussed in section 2.3 (p. 18). In a similar vein, Dahlmann, Brammer and Millington's (2008a) study of 150 UK companies suggests that both internal and external barriers play important roles in retarding the willingness and ability of British industry to become proactive in managing its environmental impacts. These findings imply that prescriptions about how to achieve environmental sustainability require integrating systemic forces (or external barriers) and micro-level influences (or internal barriers).

This Chapter explores the notion of syncretism as an approach to managing the relationship between business and ESR by integrating systemic and micro-level challenges, such as those highlighted by Liu et al. (2012). Section 4.1 emphasises the lack of theoretical perspectives on ESR for integrating the human dimension in the construct of ESR integration. The argument stresses the influence of industrial ecology (natural and biological) metaphors in shaping our conception of the link between business performance and environmental goals. The literature review notably points to the instrumental bias that these metaphors generate. The notion of syncretism is proposed as an (alternative) management perspective for prescribing the integration of objective and subjective variables in the construct of ESR and contributing towards the emergence of a more distinctly sustaincentric management paradigm.

In section 4.2, the ideological roots and underlying assumptions of syncretism are discussed. Section 4.3 defines the construct of a syncretistic framework. This Chapter closes with an outline of research assumptions and questions for investigation.

4.1. Syncretism as a new metaphorical idea

A number of authors evoke the predominance of biological and ecological metaphors in the field of Industrial Ecology (IE) (see for example, Braungart & McDonough, 2008; Ehrenfeld, 2003; Korhonen, Malmberg, Strachan, & Ehrenfeld, 2004; Peattie, 2005). The IE concept uses the metaphor of sustainable natural ecosystems as a model for transforming unsustainable industrial systems (Korhonen et al., 2004). The metaphor contends that, by imitating natural ecosystems, the industrial system should develop material cycles and energy cascades based on sustainable use of renewable natural resources and waste and by-product utilisation (Braungart & McDonough, 2008; Korhonen et al., 2004).

Some studies, especially in the wake of Lakoff and Johnson's (1980) work on the predominant role of metaphors in constructing and construing experience, address the influence of language and metaphors in driving perceptions of what is the right thing to do (thought) and how things should be done (actions) in organisations. Cleary and Packard (1992) indicate that metaphors have been used as guiding images of the future, as ways of increasing organisational effectiveness, as tools for organisational diagnosis, and as methods for simplifying the complexities of organisational life. In the same vein, Grant and Oswick (1996); and Morgan (1980, 1986) maintain that metaphors can play powerful roles in how we create and perceive business organisations and their behaviours. Lakoff and Johnson (1980) found that metaphors are pervasive in everyday life, not just in language but in thought and actions. Our ordinary conceptual system, in terms of which we both think and act, is fundamentally metaphorical in nature (Lakoff & Johnson, 1980; Rindfleisch, 1996). Lakoff and Johnson (1980) explain that language provides data that can lead to general principles of understanding of social phenomenon. In a study of knowledge creation in business, Nonaka and Takeuchi (1991) praise the potential of metaphors to convert tacit knowledge into explicit knowledge and, in doing so, trigger the knowledge-creation process in companies.

While the application of metaphors (alternative to existing ones) can be valuable in the quest for innovation and new insights in ESR integration (Peattie, 2005), Morgan (1980) warns that schools of theorists committed to particular approaches and concepts (cf. Chapter 2) often view alternative perspectives as misguided, or as presenting threats to the nature of their basic endeavour. This might explain the reintegration dilemma (or paradigmatic divide) in ESR research captured by Gladwin et al. (1995); Ghoshal (2005); and Gond and Crane (2010).

However, in order to understand any organisational phenomenon, Morgan (1980) pursues, many different metaphorical insights may need to be brought into play. The issue of reintegration in ESR research may be addressed by importing a new line of thought inspired by the metaphor of syncretism. A syncretistic framework of ESR integration may stimulate open and constructive debate in spite of the potential hostility or calculated indifference of theorists committed to particular (or traditional) approaches and concepts (Morgan, 1980). It may do so by capturing and articulating aspects of ESR integration but from different angles and in different ways – an approach commended by Morgan (1980) in his discussion of metaphors in organisational theory.

Metaphorical ideas or concepts involve the transfer of these ideas or concepts from a source (or relatively familiar) domain to a target domain where a need for knowledge development is identified (Tsoukas, 1991). The IE concept, for example, is the product of the transfer of ideas from the domains of biology and ecology to the domain of corporate management and environmental responsibility.

The limitations of 'conventional' metaphors

Peattie (2005) remarks that the use of nature and biology metaphors in the field of IE suffers from a range of limitations. Bias towards the 'law of struggle' and principles founded on rules of competition tend to confront, rather than harmonising, industrial systems and eco-systems (Larson, 2011). This notably explains the rise of pseudo-Darwinian concepts of competition (Peattie, 2005) – epitomised by the abundance of 'military' and 'sport' metaphors in the business and management literature (Lakoff & Johnson, 1980). These types of metaphors tend to advocate a 'win-lose' conception of environmental strategic management. Porter and van der Linde (1995b, p. 97), for example, suggest a comparison of the relationship between industrial competitiveness and environmental goals to "a kind of arm-wrestling match" (sport metaphor). They also evoke the fact that static thinking causes companies to "fight" (military metaphor) environmental standards that could enhance competitiveness (Porter & van der Linde, 1995a, p. 128). In the same vein, Rindfleisch (1996) notes the inclination of marketing ethics writers to acknowledge the tendency towards 'military' metaphors to promote socially irresponsible and unethical behaviour. The use of pseudo-Darwinian concepts is yet counterweighed by the regular adoption of the 'win-win(-win)' rhetoric in recent research on corporate sustainable development (see Porter & van der Linde, 1995a). This rhetoric can be

defined as a non-competitive concept that aspires to contrive mutually beneficial solutions for ESR integration. It thus contrasts against the ‘law of struggle’ inherent in the use of ecology metaphors. However, the appeal of the win-win argument, that there is no conflict between pro-sustainability strategies and conventional notions of competitiveness and profitability, and therefore no need for compromise between those agendas, is potentially overly simplistic and optimistic.

In the same vein, a critic of biological metaphors by Rhenman (1973) is that they fail to capture the abstract management issues faced by organisations – e.g. “innovativeness, the dysfunctions of bureaucratic organisations, individual adaptiveness and motivation, interperson and intergroup conflict, etc” (Rhenman, 1973, p. 174). Larson (2011) specifies that incautious metaphors can reinforce prevailing values that are inconsistent with desirable sustainability outcomes. The misconceptions are captured by Gladwin et al. (1995) in the notions of ecocentrism and technocentrism inducing the respective dominance of organismic and mechanical metaphors. The organismic metaphor restricts the reflection to only humanly mediated transactions across organisation-environment boundaries, ignoring the myriad ecosystem service transactions that ultimately keep organisations alive (Gladwin et al., 1995). The mechanical metaphor entails that, given atomistic individualism, understanding is achievable via reductionist, monological and positivistic modes of reasoning (Gladwin et al., 1995). The ecocentric and technocentric paradigms are argued to be deficient in relation to the requirements of sustainable development⁵ (Gladwin et al., 1995). Described in Table 4 (p. 28), these competing paradigms set a motion of self-defeating counterforces and fail to promote development or to facilitate the conservation of nature (Gladwin et al., 1995).

Kohronen et al. (2004) stress the relevance of nature and biology metaphors for understanding and maintaining a sustainable balance in the physical flows of matter and energy yet recommend to extend the focus of IE theory to give more emphasis to the human dimension. The assumption is that actors involved with the physical flows of matter and energy are driven and guided by human thought and action (Korhonen et al., 2004).

⁵ Gladwin et al. (1995) specify that development is unsustainable when an enlargement of human choice excludes, disconnects, promotes inequity, reflects imprudence or raises insecurity. The definitions of the five components of inclusiveness, connectivity, equity, prudence and security are developed in Gladwin et al. (1995, pp. 878-880).

Conceptualising ESR integration challenges through a new metaphor

An increasing number of authors stress the critical role of human factors in the construct of ESR integration. Hart (1997, p. 75) promotes the business case for sustainable development and argues that embracing the quest for sustainability may well require a “leap of faith” from companies’ executives. Porter and van der Linde (1995a, pp. 128-129) use the expression “company mind-sets” as implicit reference to the human dimension; yet, in line with Hart (1997), while they praise the potential of green to enhance competitiveness, they do not consider the human dimension as a key component of their theoretical framework. Dutta, Lawson and Marcinko (2012) point to the lack of extant management theories for critically analysing the rationale for corporate environmental responsiveness.

The development of business and management theories addressing ESR challenges should aim to inspire change in the dominant business economics paradigm by embracing considerations to the human dimension and related subjective variables (Korhonen et al., 2004). By way of a solution, the thesis examines the metaphor of syncretism as a conceptual lens, and ultimately as an analytical tool, for comprehending the dynamics between objective and subjective influences on corporate environmental sustainability. A relevant metaphor, according to Lakoff and Johnson (1980), can help to understand a particular phenomenon in considerable detail and, in doing so, define a new reality.

Prior to defining the construct of the syncretistic framework, this Chapter discusses the ideological roots of syncretism. The implications of transferring the principles (or assumptions) of syncretism to the field of strategic management are explained – as commended by Doving (1994) to justify the applicability of metaphors. The focus is particularly on the application of syncretism to the target domain (strategic management and ESR integration) while also discussing the assumptions raised by researchers in the source domains of the concept (culture, religion).

4.2. Embracing the ideological roots of syncretism

The concept of ‘syncretism’ is traditionally defined as the production of modified and/or new religions emerging from a contact between and interpenetration of different belief systems (Droogers & Greenfield, 2001). It originates from the earlier Greek term ‘symkrisis’ – “a

mixing together, compound” (Stewart & Shaw, 1994, p. 3). Syncretism is discussed in different studies to explain the emergence of numerous new/modified religions or cultures around the world (Hartney, 2001; Maroney, 2006; Martin, 2006; Stewart & Shaw, 1994). For example, the entry of the proselytising Christianity into Africa (and other parts of the world) introduced new views of the universe, ritual behaviours and social practices (Droogers & Greenfield, 2001). In the same vein, the trends of population growth, industrialisation and globalisation are discussed by S. M. Greenfield (2001) to have generated the proliferation of syncretised religions in Brazil. Other examples include the Nigerian religion Chrislam combining Christian and Islamic doctrines and Universal Sufism that seeks the unity of all people and religions.

Some commentators indicate that the concept of syncretism has a complex history (Hartney, 2001; Shaw & Stewart, 1994). It has been conceived of either as a politically dangerous and theologically disputed word with pejorative connotations (Baird, 1991; Conn, 1984; Hesselgrave & Rommen, 1989; Hiebert, 2006) or as an analytically instructive concept with non-pejorative connotations (Droogers, 1989, 2001; Droogers & Greenfield, 2001; Herskovits, 1941; Shaw & Stewart, 1994). Both assumptions are discussed in sections 4.2.1 and 4.2.2, linking back to the way they are formulated by scholars in the source domains of the concept and exploring the way they may apply to the study of ESR.

4.2.1. Pejorative assumptions

In the religious context, syncretism is often regarded critically as a process which causes impurity in what is claimed to be an otherwise pure form of religion based on an impeccable revelation (Shaw & Stewart, 1994). The pejorative conception of syncretism is notably endorsed by Conn (1984), Hesselgrave (2006), Baird (1991) and often taken to imply the “inauthentic” or “contamination”, the infiltration of a supposedly “pure” tradition by symbols and meanings seen as belonging to other, incompatible traditions (Shaw & Stewart, 1994, p. 1). Claims have been made, for example, that Christianity and Islam are ‘un-/anti-syncretistic’ (Shaw & Stewart, 1994); although the existence of Chrislam in Nigeria proves otherwise. Anti-syncretism refers to the incongruity/antagonism between different belief systems (Shaw & Stewart, 1994). The concern is that, e.g., true Christianity, true Islam or true Gospel (Hiebert, 2006) will not be nourished by syncretism, but rather diluted or destroyed. Construed as a negative outcome, syncretism generates both a modified biblical message and

the compromising of biblical doctrines. Moreau (2000, p. 924) provides an illustration of the process of syncretism as “the replacement or the dilution of the essential truths of the gospel through the incorporation of non-Christian elements”.

Hesselgrave (2006) explains that syncretism occurs in two equal and opposite forms: under-contextualisation and over-contextualisation. Under-contextualisation refers to a lack of connection between people and a religion (Hesselgrave & Rommen, 1989). Shaw and Stewart (1994, p. 14); and Droogers (1989, p. 16) specify that the pejorative characterisation of syncretism may translate into a means “used by religious elites to oppose unauthorised religious production”; and thereby create a gap between the contents of religious scriptures and the thought patterns of potential adopters. Over-contextualisation, by contrast, is the excessive interference of people in the process of making religious texts and their content meaningful and applicable to the thought patterns and situations of these people (Hesselgrave & Rommen, 1989). These opposite forms of syncretism are both viewed as detrimental to the development and popularity of a religion (Martin, 2006). A “healthy contextualisation”, according to Martin (2006, p. 123), occurs at the centre of the continuum between these extremes – which establishes syncretism as an undesirable outcome.

Baird (1991) corroborates the view that syncretism is not something a religion would want to describe itself as⁶. He uses the inside/outside argument to clarify his position: “syncretism is a concept applied to a religion by those who stand outside its circle of faith and hence fail to see or experience its inner unity” (Baird, 1991, p. 151). From this perspective, syncretism often results from devoting too much attention to the outer layers of culture and not enough attention to its inner core or worldview (Hesselgrave, 2006). It has been suggested that students looking at various textual sides of a religious tradition, and isolating various influences, do not see the practicalities of a faith (Droogers, 1989). Consistent with Baird (1991), ongoing religious syncretistic developments can affect the stability of religion. The priority is to pronounce and preserve the validity of a circle of faith, or of a ‘traditional’ belief system. The transformation, or new thinking, generated via syncretism is undesired.

A similar pattern of defiance against the adoption of new thinking can be observed in the domains of ESR and strategic management. The ‘NIH’ syndrome (Agrawal et al., 2009;

⁶ Hartney (2001) provides the counterexample of Caodaism which, in its religious development, wants to be seen as syncretistic.

Lichtenthaler & Ernst, 2006) and the pattern of paradigmatic conformity (Ghoshal, 2005; Gladwin et al., 1995) are particularly illustrative of the reluctance of companies to transform the way they do business. An assumption, therefore, is that the application of syncretism in the fields of ESR and management would meet the resistance of business practitioners and management thinkers. This is reminiscent of the following assertion made by some opponents of syncretism in the fields of religion and culture: a belief system is pure, therefore it is more aversive and resistant to the influence of alternative, possibly external, belief systems (Shaw & Stewart, 1994). Parts of the literature on religious and cultural syncretism suggest that challenging the contents of a culture or a religion tends to stir controversy; particularly when developments and adaptations of a culture or a religion are no longer necessary or desirable (Hartney, 2001). New ideas in religion are rare (Hartney, 2001). Religious texts consist mainly of traditional ideas rearranged and presented in new ways (Hartney, 2001). As discussed in Chapter 2, the pattern of rearranging traditional ideas rather than adopting new ones is also apparent in the fields of ESR and management. It is this pattern that Ghoshal (2005), Gladwin et al. (1995); and Gond and Crane (2010) deplore. To these authors, a syncretistic approach to ESR and management may prove invaluable in the quest for a prescriptive theory of environmental and economic sustainability.

A number of studies in the field of religion/culture have examined particular cases of syncretism to determine whether or not that assimilation is adequate (Ferretti, 2001; Hartney, 2001). For example, Pinto (1985, p. 22) writes that “not all types of syncretism are negative and to be shunned”; and Luzbetak (1988, p. 60) asks, “must syncretistic assimilations always be judged pejoratively?”

4.2.2. Non-pejorative assumptions

A number of writers use the word syncretism only in a positive sense, and see it as inevitable, desirable and necessary for the growth, development, and enrichment of the church and its doctrine (see for example, Boff, 1986; Kirwen, 1988; Pinto, 1985; Sanneh, 1989). Some praise the relevance of syncretism as analytical tool for understanding the creation and development of a belief system (Berling, 1980; Droogers & Greenfield, 2001; Ferretti, 2001; Hartney, 2001) – e.g. analyse “what has or has not been borrowed or blended, and what has or has not influenced specific religious thinkers at specific points in history” (Berling, 1980, p. 8). For instance, Ferretti (2001) in studying Afro-Brazilian religions illustrates the

relationship between elements of “colliding” religions through four meanings or dimensions of syncretism:

- Separation (no syncretism), found in relation to specific rituals, including initiation rites, animal sacrifices, funeral ceremonies and dances of the divinities;
- Interpenetration (linkage), found in many ‘terreiros’ (religious centers) in the observance by members of Afro-Brazilian religions of Christian rituals such as baptism and the litany;
- Parallelism (juxtaposition) which for example arose from the relations between the orishas and the Catholic saints, and in the integration of popular Catholic festivals;
- Convergence (adaptation) was found to emerge between African concepts and those of other religions with regard to notions of God and reincarnation.

By exploring the concept of syncretism as an approach to ESR integration, an objective of this thesis is to examine whether (and how) the dimensions of separation, interpenetration, parallelism and convergence illustrate the relationship between ESR and business performance.

The rational non-pejorative connotations of syncretism date from the eighteenth century and Denis Diderot’s ‘Encyclopédie’ articles: ‘Eclectisme’ and ‘Synchrétistes, Hénotiques, ou Conciliateurs’. Diderot defined syncretism as the concordance of eclectic sources. From this positive perspective, syncretism is argued to appear as a common feature of all observed religions (Hartney, 2001). If there is an antonym to syncretism, Hatney (2001) writes, it would be tradition – the idea of a set of beliefs that are conceived of as pure. Shaw and Stewart (1994, p. 7) refer to “the politics of religious synthesis” to describe the negotiation that takes place between an ideal of universalism (i.e. unity of faiths) and the need to attract the widest possible audience for the fastest possible and most sustainable growth of a given belief system. In the transition to bring faiths together, an obvious worry and possible point of criticism is how sometimes totally irreconcilable faith systems can be brought together (Hartney, 2001).

The non-pejorative, and often positive, significance of syncretism is particularly endorsed by postmodern anthropologists (Shaw & Stewart, 1994). They emphasise the influence of human factors in explaining the contradictions of faith; the main premise being that people have different needs at particular periods (Hartney, 2001). In a study of syncretism at actor’s level,

Droogers (2001) finds that syncretism may be achieved through the combination of the relative freedom of agency and structural constraints. He thereby distinguishes between subjective syncretism and objective syncretism (Droogers, 2001). For example, Shaw and Stuart (1994) indicate that Western Christianity has been overpowered by the values and disvalues of the modern world. The growth of a Western-dominated world economic system generated the growth of a Western-dominated world cultural system (Shaw & Stewart, 1994). Stewart and Shaw (1994) refer to these developments as syncretistic confusions or deviances. To avoid deviances and accept syncretism as a form in which belief systems may develop, it is argued that syncretism should achieve a balance, or avoid a conflict, between subjective influences (e.g. Western culture, values of the modern world) and objective, or presumably dominant, influences (e.g. Christian principles, religious elites). Anti-syncretism may emerge in contexts of dominations either by a cultural system or by a religious elite⁷. Shaw and Stuart (1994, p. 20) write: “Syncretism may be (or perhaps only looks like) a form of resistance, because hegemonic practices are never simply absorbed wholesale through passive ‘acculturation’; at the very least, their incorporation involves some kind of transformation, some kind of deconstruction and reconstruction which converts them to people’s own meanings and projects”.

From the non-pejorative perspective, syncretism evokes a process of transformation or progress; one in which the ‘dominant order’ is not necessarily subverted (Shaw & Stewart, 1994). The mechanism of syncretism is arguably clearer when a contrast is made between what Meyer (1992, 1994) calls syncretism ‘from above’ and syncretism ‘from below’, each representing different poles in a field of power. Syncretism from below, Shaw and Stuart (1994) write, refers to the development of religious synthesis by those who create meanings for their own use out of contexts of cultural or political domination⁸. Syncretism from above, at the other pole, refers to the imposition of religious synthesis upon others by those who claim the capacity to define cultural meanings⁹ (Shaw & Stewart, 1994). Shaw and Stuart (1994); and Koepping (1994) explain that syncretistic appropriations may be seen both as responses to external domination and as discourses of reciprocal domination. Two opposed rhetoric are distinguished: syncretism as hierarchical encompassment and syncretism as

⁷ Shaw and Stuart (1994) provide the example of the Yoruba Aladura churches which explicitly oppose the incorporation of African ritual elements.

⁸ e.g. Yawing circumcision and Protestant Ewe discourses about the Devil (Shaw and Stuart, 1994).

⁹ e.g. Christian missionaries Africanising their churches by baptising selected deities and practices (Meyer, 1992); Hindu nationalists claiming that Hinduism subsumes Islam (van der Veer, 1994).

tolerance (Shaw & Stewart, 1994). A similar opposition may be captured in the practice of management between the subjective values/morale of business agents and the objective drivers (e.g. economic prerogatives) of business performance. As discussed in Chapter 2 and Chapter 3, strategies of responsiveness to environmental issues may emerge from objective (or instrumental) connections of ESR with business performance – e.g. business agents need to foresee the economic returns of green. They can also arise from subjective motivations of business agents – e.g. cognition, morality, sensitivity to environmental issues.

The above discussion indicates that syncretism is deemed acceptable, and non-pejorative, when a demand exists for the unity it prescribes. Hartney (2001) notes that unity is especially sought in times of crisis – i.e. when the ‘external attacks’. ESR and management theorist are calling for a form of unity in management theory and practice (cf. discussion of the reintegration dilemma in section 2.3). A syncretistic transition in the practice of management, because it reflects an attempt at a synthesis from divergent theoretical positions (Droogers & Greenfield, 2001), is opportune to foster the necessary developments and adaptations that companies have to make to meet the needs of society and respond to the alarming environmental trends reported by the OECD (2012).

The connectionist logic of syncretism views human beings as able to live with dichotomies and make sense of them (Droogers & Greenfield, 2001). One implication of the connectionist model is that it may show us a way beyond paradigmatic conformity in ESR research so that scholars with diverse theoretical backgrounds might have a common ground for discussion and find constructive connections to develop our understanding of ESR. Anthropologists Droogers and S. M. Greenfield (2001) and management scholar Ghoshal (2005) converge on the idea that discussion of theoretical perspectives long has suffered from oppositional thinking and focusing on one term in a pair of dichotomies – e.g. operational/normative, objectivism/subjectivism. Syncretistic management should appeal to potential adopters/scholars as being significantly different from older, conventional management paradigms because it is integrative. Pinto (1985, p. 22) explains that, “at times, syncretism may be indispensable in the process of casting off the old and putting on the new”. The ‘old’ (traditional) company is independent, stable, efficient, risk-aware, controlled, self-focused, competitive, driven and quantifiable (Braungart & McDonough, 2008). But these attributes are no longer good enough on their own for a company operating in an environment that increasingly suffers from the instrumental bias and lack of moral concerns of management practitioners (Braungart & McDonough, 2008). It is perhaps the moral monism of traditional

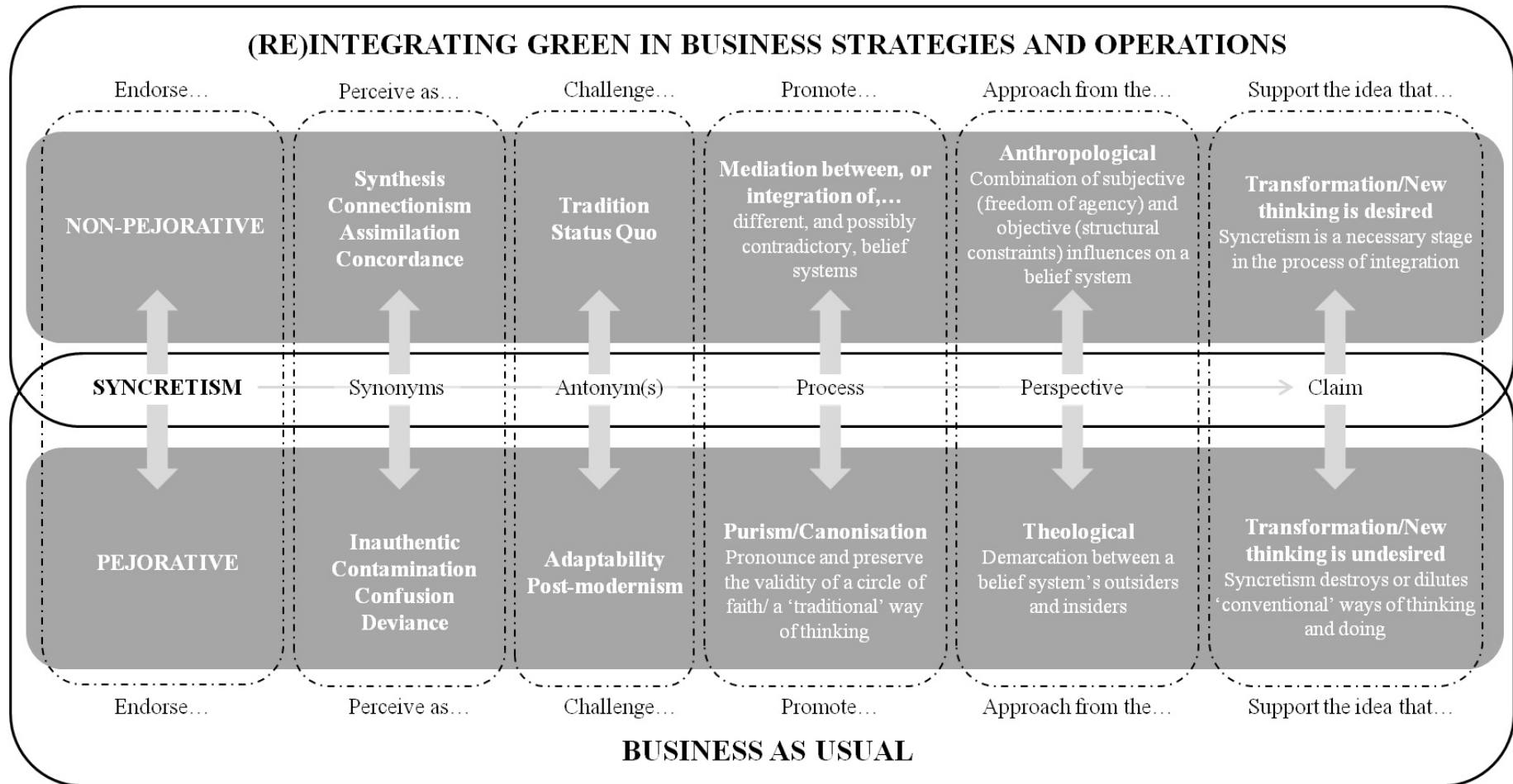
business models – which technocentric biases are concerned with the idea that the only responsibility of business is to make profits, in the wake of Friedman (1970) – that will induce a special interest in denying the possibility of syncretism. Perhaps the time has come for business managers and theorists to revise their estimation of traditional management theories and practices, and accept a syncretistic transition.

The development of a syncretistic model of management, from a non-pejorative perspective, may inform the transition from unsustainable management practices to a more sustainable journey. In the quest for a new thinking to alleviate the environmental trends reported by the OECD (2012), this thesis proposes that society will benefit from a syncretistic conversion of management theory and practice to sustaincentric principles. The non-pejorative assumptions are thus reproduced to support the construct of a syncretistic framework for ESR integration.

Figure 4 summarises the pejorative and non-pejorative connotations of syncretism.

Figure 4. Contrasting the pejorative and non-pejorative assumptions of syncretism

Source: author's own construction.



4.3. Defining the construct of syncretism

In considering the objective and subjective variables influencing the construct of ESR integration, the adoption of syncretism is predicted to create a more holistic and comprehensive formulation of sustainability challenges. Management scholars are increasingly referring to the influence of subjective and objective challenges in their approach to ESR. One recurring assumption is that companies subject to the same level of external pressure may perform differently (Gunningham, Kagan, & Thornton, 2003; Prakash, 2000) because of the varied individual interpretations of the objective pressures from the outside (Liu et al., 2012). This assumption links to the works of Cyert and March (1963); Ansoff (1965) and Williamson (1975) which support the idea that economic decisions at the firm level requires the understanding of the noneconomic (managerial and behavioural) factors.

Berger, Cunningham, and Dumright (2007) adopt the term ‘syncretism’ to evoke a “combination of noneconomic and economic objectives” (p. 145) in the mainstreaming of CSR. They write that the concept of syncretism reflects what CSR looks like when it is fully embedded in the day-to-day culture, processes and activities of a firm (Berger et al., 2007). It is defined as a management philosophy, an overarching approach to business that mirrors a corporate effort to appreciate and respond to the often conflicting views and values of a diverse set of stakeholders (Berger et al., 2007). The term syncretism is used in business literature to refer to a form of introspection¹⁰ (Wallendorf & Brucks, 1993) and to consumers whose behaviours are influenced by multiple and often contradictory values (Handelman, 2006). Handelman (2006) refers to consumers as syncretistic societal constituents (e.g. activists, non-profit organisations, minorities and indigenous groups) who are not driven only by the rational pursuit of economic self-interest. Instead, they struggle to balance and maintain conflicting philosophical and religious beliefs, values and practices; this ultimately determines their logic of consumption (Handelman, 2006).

In this thesis, the concept of syncretism is applied to business agents – in line with the notion of “syncretic stewardship” introduced by Berger et al. (2007). The syncretic stewardship model implies that ESR is framed by business agents in a broad fashion that works to

¹⁰ Wallendorf and Brucks (1993) refer to syncretism as a combination of different forms of introspections used in consumer research. They use the term to acknowledge the elusive nature of clear distinctions in research practice and frame the inclusion of both researcher and informants as elements in the sample with little, if any, differentiation made between the two during data analysis (Wallendorf & Brucks, 1993).

simultaneously serve diverse stakeholders (Berger et al., 2007). Syncretic stewards are constantly involved in negotiating, balancing and integrating the often competing claims of varied stakeholders (Berger et al., 2007). In contrast with Berger et al. (2007) who examine the potential for synthesis/interdependence between the different needs and expectations of varied stakeholders, the present study focuses on environmental issues and examines how business agents endeavour to balance the potentially conflicting noneconomic and economic challenges which interweave with the choice of environmental strategy. By embracing the non-pejorative assumptions discussed in the previous section, the syncretistic metaphor can be construed as a response to the call for the (re)integration of subjectivist and objectivist views in management theory and ESR research. The metaphor prescribes the realisation of a reinforcing cycle that seeks to harmonise ESR orientations with organisational culture¹¹ (Berger et al., 2007). The reinforcing cycle requires business agents paying attention to both noneconomic and economic objectives; in other words, business agents ought to achieve syncretism between business performance and ESR.

Drawing on Shaw and Stewart's (1994) discussions on religious syncretism, the construct of syncretism is suggested to reflect a hierarchy of power within the sphere of corporate influences and responsibilities. At the top of the hierarchy lies the "dominant order" (Shaw & Stewart, 1994, p. 21). This pole is proposed to embrace exclusively business economic and legal duties – priorities inherent to the capitalistic system and 'free-market' economy (M. Friedman, 1970). At the bottom of the hierarchy, micro-level influences prevail over systemic dominance – a pattern framed in the notion of constructionism.

In the first part of this section (4.3.1), the orientational arrangements of the syncretistic construct are described. The second and third parts 4.3.2 and 4.3.3) are devoted to the definition of the syncretistic poles. Finally, in section 4.3.4, the discussion considers potential premises for syncretistic equilibrium.

4.3.1. Oriental arrangements

The concept of syncretism applied as a metaphor not only yields the general theme of analysis but provides the model with spatial orientation (Lakoff & Johnson, 1980). Economic objectives and other systemic pressures, for instance, are proposed to be oriented 'above'.

¹¹ CSR culture is found by Berger et al. (2007) to be particularly related to six dimensions: performance orientation (conception of EFF²), power distance, uncertainty avoidance, humane orientation, assertiveness and future orientation. The definition of these dimensions can be found in Berger et al. (2007, pp. 150-154).

This leads to the expression ‘syncretism from above’ – also used in the works of Meyer (1992); and Shaw and Stewart (1994, p. 21). In the religious context, the term ‘from above’ notably refers to the use of church tradition as the link between the Bible and its mission or seeing the Bible as the source of commands for mission (Pease, 1999). The human dimension, sensitivity to societal issues and other constructionist contingencies are oriented below – giving rise to the concept of ‘syncretism from below’. In the religious context, the expression ‘from below’ emphasises the contextual agenda as starting point in transforming the way we understand, exercise and evaluate our missional action (Pease, 1999). The emphasis at this pole is on the influence of individual actors who create meanings of their own (Meyer, 1992). In considering the dynamics between syncretism from above and syncretism from below, a phenomenon may be understood by examining both the standards against which our beliefs and practices must be measured and the human contexts of the phenomenon (Pease, 1999). Failure to do so, Pease (1999) argues, leads to syncretism in which the truth of a religion or culture is lost and the people go astray.

These orientational arrangements are not arbitrary. They are determined by our physical and cultural experience (Lakoff & Johnson, 1980). In a broad, abstract sense, the choice of the terms ‘from above’ and ‘from below’ is rooted into the Hermetic idea of ‘as above, so below’ – the macrocosm is reflected in the microcosm and vice versa (Visser, 2011). The actual text of that maxim was first laid out in the Emerald Tablet of Hermes Trismegistud (Abel & Hare, 1997). It is translated by Dennis W. Hauck as: ‘That which is below corresponds to that which is Above, and that which is Above corresponds to that which is Below, to accomplish the miracle of the One Thing’ (Abel & Hare, 1997). Or, in Goethe’s words: ‘If (we) would seek comfort in the whole, (we) must learn to discover the whole in the smallest part’. This cultural reference reflects the essence of syncretism which is to advocate, as a management philosophy, the reconciliation of systemic (‘the whole’) and constructionist (‘the smallest part’) contingencies with a view to improving the relationship between business and society (‘seeking comfort in the whole’).

Strategic management thinkers have defined a ‘coherent system’ in which top-down strategies are understood to reflect a hierarchical context, descending approach to business development stemming from, e.g., a market opportunity or shareholder pressures (Henriques & Richardson, 2005). By contrast, bottom-up strategies define an ascending approach to business development driven by a set of individual values or employees commitment (Drejer, 2002).

These orientation choices are not noticed as being comprehended through metaphors. They appear to have become what Palmer and Dunford (1996, pp. 699, 705) call “dead metaphors” whose metaphorical roots have been forgotten (Peattie, 2005).

The ontological position of syncretism aligns with both the coherent system defined by strategic thinkers and the aforementioned cultural references. Systemic pressures are thus conceptualised to emerge from above and constructionist pressures are understood to emerge from below. Both ‘syncretistic poles’ are now discussed, beginning with syncretism from above.

4.3.2. Syncretism from above

Galanis (2011) defines the systemic approach as the effect of numerous interweaved institutional arrangements in the legal and economic system on stakeholder and company power. From this perspective, syncretism from above entails that ESR integration is influenced by external forces and/or by those who claim the capacity to ‘normalise’ business operations and impose on firms lines of thinking and operating. In other words, syncretistic equilibrium at this pole is principally driven through abidance by legislation, adaptations to macroeconomic contingencies – e.g. adopting “market-based solutions” for ESR commitment (Robbins et al., 2010, pp. 43-44) – and/or the ‘power dominance’ of shareholders.

Syncretism from above prescribes that business strategic decisions on ESR are framed notably with the perspective of ESR driving economic growth. Previous research from Margolis and Elfenbein (2008); Berger, Cunningham and Dumright (2007), Peloza (2006), Windsor (2006); Husted and de Jesus Salazar (2006); McWilliams, Siegel and Wright (2006); and Baron (2001) converge on the assumption that a firm’s approach to ESR does not respond to any established code of conduct yet is primarily driven by economic motives. Such motives include ESR affordability – a strong financial performance can arguably give a company the wherewithal to contribute to society – and ESR potential return on investment. This approach implies that ESR is viable to the extent that corporations are convinced that there is some ‘payoff’ to the investment (Devinney, 2009), hence the salience of syncretism ‘from above’ and control systems and/or strategic guidance from business decision makers.

Syncretism from above can be conceived of as a response to external pressures (legislation, pressures from shareholders, market volatility) or as instrumental aspirations and/or inspirations emerging from hierarchical domination. The term 'above' essentially relates to the influence of shareholders, corporate boards, CEOs (Chief Executive Officers), CFOs (Chief Financial Officers) and upper echelon business executives who are "the guardians of their companies' financial welfare and ultimately must bear responsibility for the impact of CSR on the bottom line" (Carroll & Shabana, 2010, p. 92). Hofferberth et al. (2011), in line with Gladwin et al. (1995), observe that the role of private business actors in general and the concept of CSR in particular have predominantly been investigated from rationalist (or technocentric) perspectives. The approach contends that, in a systemic context of neoclassical economy, human behaviour tends to be rational and oriented toward optimisation objectives and competition (Choudhury, 1995; Hofferberth et al., 2011). Kim and Statman (2012) provide evidence that the behaviour of corporations is consistent with the claim that they act in the interest of shareholders. They indicate that companies increase or decrease investment in ESR as necessary to improve their financial performance (Kim & Statman, 2012). Milton Friedman (1970) is often cited as champion of the systemic dominance (or free-market) perspective according to which shareholders are the main constituency that business leaders must satisfy (Sekerka & Stimel, 2011). The assumption that managers act as economically rational individuals is a major component of the agency theory¹² (Baiman, 1982; Eisenhardt, 1989a; Watts & Zimmerman, 1986).

Some commentators observe that the perspective of ESR as a secondary concern has given momentum to the argument that pro-environmental business initiatives require a trade-off in economic profitability (B. Cohen & Winn, 2007; M. Friedman, 1970; Winn & Kirchgeorg, 2005). Other ESR scholars deplore the translation of systemic dominance into relentless and permanent competition, unforgiving market forces and focus on shareholder value realisation (S. D. Cohen, 2007; Cruz Machado & Duarte, 2010; Hofferberth et al., 2011). They contend that, under such systemic contingencies, companies tend to be efficiency-driven, positive-sum game institutions. Hofferberth et al (2011) points to the persistence of biased notions about the assumed dominance of systemic forces and rational compliance of corporate actors. Huczynsky and Buchanan (2007) warn that responsiveness to environmental issues does not

¹² The agency theory essentially seeks to examine the extent to which managers' self-interests converge with that of shareholders (Dutta et al., 2012). The theory is prominent in the accounting and finance literature (Dutta et al., 2012).

imply making decisions founded upon a simple set of objective conditions predefined by the system in which companies operate. Putative bias of ‘the guardians of businesses’ towards objectives of economic growth and share price value increase may lead to such anti-syncretistic deviances as insufficient concern for environmental issues.

The negative environmental impact generated by overreliance on instrumentality and prominence of human needs over nature (de Lange et al., 2012; Gladwin et al., 1995) justifies the need for syncretistic rehabilitations/readjustments emerging from below; these take the form of Bottom-Up adaptations. Shelton (1994) suggests that business practitioners limiting their environmental initiatives to cost savings, waste disposal reductions and failing to integrate green in corporate culture respond only partially to environmental issues. Peattie (1999) warns about the dangers in companies adopting the trappings of environmental concern without embracing the substance of sustainability – a pattern which, according to Cherry and Sneirson (2011), might explain BP’s disastrous oil spill in the Gulf of Mexico. Peattie (1999) makes a parallel with the pattern of Western companies trying to adopt and apply Total Quality Management (TQM) programmes as a toolkit of management techniques without embracing the philosophy of TQM endorsed by their Japanese competitors. The first danger is that any superficial and opportunistic marketing responses among companies may increase the level of cynicism among consumers (Peattie, 1999); this may in turn challenge the implementation of future ESR initiatives, a pattern articulated by Shelton (1994) as ‘hitting the green wall’. The second source of confusion is that the tone, content and number of environmental claims might lead the public to believe that specific environmental problems have been adequately addressed and solved (Davis, 1991; Peattie, 1999). This links to the deceptive facet of green washing discussed by Lyon and Maxwell (2011).

In the light of these potential ‘deviances’, the syncretistic framework prescribes that firms should divert from their focus on syncretism from above – e.g. the pursuit of shareholder profits to the exclusion of all other considerations such as ESR (Cherry & Sneirson, 2011).

4.3.3. Syncretism from below

By contrast, therefore, syncretism from below defines the view that ESR integration can benefit from inspirations and commitment of business agents in spite of them possibly holding a position of followers and being subject to hierarchical power (authority) in a system

that essentially promotes economic aspirations. In line with Porter and Kramer's (2006) inside-out and outside-in approaches to ESR, three dimensions of influence on business performance and environmental impact can be captured: human factors (at the micro level), operating factors (at the meso level) and physical factors (at the macro level). The dynamics between these factors arguably determine a firm's ability to effectively combine ESR with business performance. Cho (1994) argues that human factors manage and utilise physical factors – including, e.g., endowed resources, business environment, related and supporting industries and demand. Human factors can be internal – e.g. workers, entrepreneurs and professional managers, and engineers – or external to the firm – e.g. politicians and bureaucrats (Cho, 1994). Pfeffer (2010, p. 42); and Starkey and Crane (2003) converge on the “implicit assumption” that people must act on behalf of the environment because the environment cannot act on its own behalf. In the same vein, Porter's (1985; 2006) value chain implies that business agents – i.e. management choices, human factors internal to the firm – control the operating factors related to the firm's primary activities.

These agents may often have first hand perspectives on the firm's environmental impact or performance whether they are front line workers, ‘middle’ managers or ‘top’ managers. As Meyer (1992); and Stewart and Shaw (1994) suggest in their discussion of syncretism from below, the emphasis at this pole is on individual inspirations/aspirations or micro-level inference procedures mediated by business agents. Braungart and McDonough (2008) praise the salience of embracing a sustainable vision at the top to facilitate the implementation of green by employees ‘down on the ground’ and overcome potential resistance. Dutton and Jackson (1987) argue that decision makers' cognitions and motivations systematically affect the processing of (societal) issues and the types of organisational actions taken in response to them. Individual cognitions – i.e. inspirations/aspirations (otherwise referred to as subjective components) – driving the construct of ESR integration are framed in this thesis in the concept of constructionism. The reasoning thus aligns with the argument of Hofferberth et al. (2011) that a company's receptiveness to social expectations is determined by constructionist drivers. In the same vein, Robbins et al. (2010) discuss the need to address the gap between nature and economy with recourse to a different system of valuation. They emphasise the influence of non-market values and constructionism in a (dominantly) material world: “Reconciling the material reality of the environment with the powerful social constructions that influence our thinking is a major challenge” (Robbins et al., 2010, p. 132).

The constructionist approach to strategy formation is referred to by Mintzberg and Lampel (1999) as a hybrid of the cognitive and cultural schools of strategic thinking. The cognitive school – dating back to Simon (1947); and March and Simon (1958) – defines strategic thinking as a mental process in which cognition is used to construct strategies as creative interpretations of the nature of business. Strategies are developed in people’s minds as frames, models, maps, concepts, or schemas (Mintzberg & Lampel, 1999). The cultural school – particularly influenced by the early works of Rhenman (1973) and Normann (1977) – defines strategic thinking as a social process rooted in culture. The constructionist perspective entails that organisational strategies can never be separated from their social and historical environment (Lowe & Jones, 2004). Lowe and Jones (2004) provide evidence from a medium-sized New Zealand fishing company where individuals indulged in strategic behaviours of their own (constructionist forces) in order to avoid the imposition of control systems which affects their independence. Syncretism from below (e.g. strategic behaviours of their own), in this sense, operates a counterbalance effect on syncretism from above (e.g. control systems).

The notion of ‘constructionism’, as adapted from the definition of Papert (1991), translates the learning capacity of individual agents of management and their engagement in constructing high environmental responsiveness, irrespective of corporate systemic contingencies. Papert (1991) views constructionism as inspired by the constructivist theory of learning. This theory contends that ‘knowledge structures’ are built irrespective of the circumstances of the learning (Papert, 1991). Papert (1991) explains that building knowledge structures (e.g. environmental awareness) is facilitated in a context where the learner (e.g. business agent) is consciously engaged in constructing a public entity (e.g. ESR). In the perspective of syncretism from below, the argument draws on assumptions of (social) constructionism that “place particular stress on the individual’s psychological construction of the experiential world” (Gergen, 1994, p. 67).

Previous research bringing constructivist explanations (Hofferberth et al., 2011) and reflecting on the influence of intangible resources (Hart, 1995; Surroca et al., 2009) have made a link to different dimensions of ESR performance. Constructionist components of ESR integration include societal learning (Zadek, 2004), issue awareness/sensitivity (Dutton & Dukerich, 1991; Dutton & Jackson, 1987; Galaskiewicz & Burt, 1991), leadership or management style (Gunningham et al., 2003; Howard-Grenville, 2005; Sully de Luque et al., 2008; Waldman &

Siegel, 2008), employees' commitment/perceptions (Aguilera et al., 2007) and organisational culture (Berger et al., 2007; Cantor & Rayner, 1994; Eccles et al., 2011; Shelton, 1994).

The emphasis at the constructionist pole is on subjective parameters (or noneconomic objectives). For example, Prakash (2000) evokes the decision of the pharmaceutical company Lilly to invest \$100 million on (eco-friendly) overhead storage tanks in spite of the fact that the firm could have modified underground tanks at a cost of \$40 million and been in compliance with the Environmental Protection Agency regulations. The motivation for this pro-ESR investment lies outside the realm of traditional management theories (Dutta et al., 2012). It is the product of the leader's interpretation of the firm's responsibility. The example of Lilly illustrates the pattern which the notion of syncretism from below seeks to conceptualise. The idea of business agents furthering their personal interest and that of their organisations while limiting adverse environmental impact is referred to by Dutta et al. (2012, p. 3) as "social stewardship".

In line with Hofferberth et al. (2011), responses to ESR integration challenges can emerge from prosocietal construal of the nature and purpose of businesses. Some companies are construed to exist on the margin of systemic constraints – e.g. social enterprises, family firms, heritage businesses, arts enterprises, lifestyle businesses, etc. Seeking or provoking syncretism may be a form of resistance/conviction through active commitment of citizens, front line employees, middle managers or top managers in determining areas for intervention and/or improvement. Individual, voluntary citizenship initiatives in the workplace, according to Boiral (2009), can play an essential role in improving the efficacy and efficiency of environmental management practices within organisations. Sensitivity and proximity to ESR issues can be considered as an individual construct (Hofferberth et al., 2011). Strategic management perspectives on ESR integration may benefit from consideration of the subjective meanings motivating the actions of social actors in an organisation. Williamson, Lynch-Wood and Ramsey (2006) observe that firms who limit their scope of responsibility to regulatory structures fail to recognise the benefits of the broader business case for ESR.

A reverse assumption discussed by Gladwin et al. (1995) is that normative bias of business agents towards prosocietal interests may generate the rejection of new age systems thinking (Capra, 1982; Jantsch, 1980). The influence of subjective parameters, or out of capitalist context aspirations, may produce a subversive effect in relation to the dominant capitalist

order. This subversive effect is framed by Gladwin et al. (1995) in the notion of ecocentrism and its inherent rationale that humans are subordinated to the biosphere. Radical environmental activists, for instance, consider that it does not matter what people believe as long as they can be manipulated into acting in a manner acceptable to green faith (Gladwin et al., 1995). This rationale may provoke a form of syncretistic deviance (or subversion of systemic domination) owing to its little emphasis on economic criteria (Berger et al., 2007) and its lack of connectivity to human suffering (Gladwin et al., 1995). The concept of syncretism from above (Top-Down adaptation) highlights the systemic viability of ESR. It promotes systemic/pragmatic adaptation to balance business responsibilities, justify that ESR is consistent with the firm's strategies and that it is financially sustainable (O'Sullivan, 2006). Linking back to the example of Lilly, the reflection at the systemic pole would be to assess the economic viability of the \$100 million investment. If the long-term economic viability of the project is diagnosed positively, then the company's decision can be justified by the prospects of syncretistic equilibrium.

Lee (2008) observes a trend in the evolution of CSR theories that indicates a tighter coupling between CSR and the organisations' financial goals. Emerging thinking, influenced by growing preoccupations about the impact of collective human activity and industrial growth on the environment (B. Cohen & Winn, 2007; McDonough & Braungart, 2002; Tate et al., 2010), suggests that business mission and green issues, once unrelated to each other, are now to be somehow reconciled. One study conducted on 537 UK companies by Brammer and Millington (2008) shows that high corporate social performance – in the form of charitable giving – is compatible with and can stimulate financial performance. Albeit, on the other hand, unusually low corporate social performance is also found to generate high financial performance (Brammer & Millington, 2008), the authors give credit to the assumption that syncretism – as the infiltration of economic objectives by ethical or moral concerns (ESR activities) – can be a capitalistically viable business ambition, a form of “enlightened self-interest” (Carroll & Shabana, 2010, p. 88).

4.3.4. Achieving syncretistic equilibrium

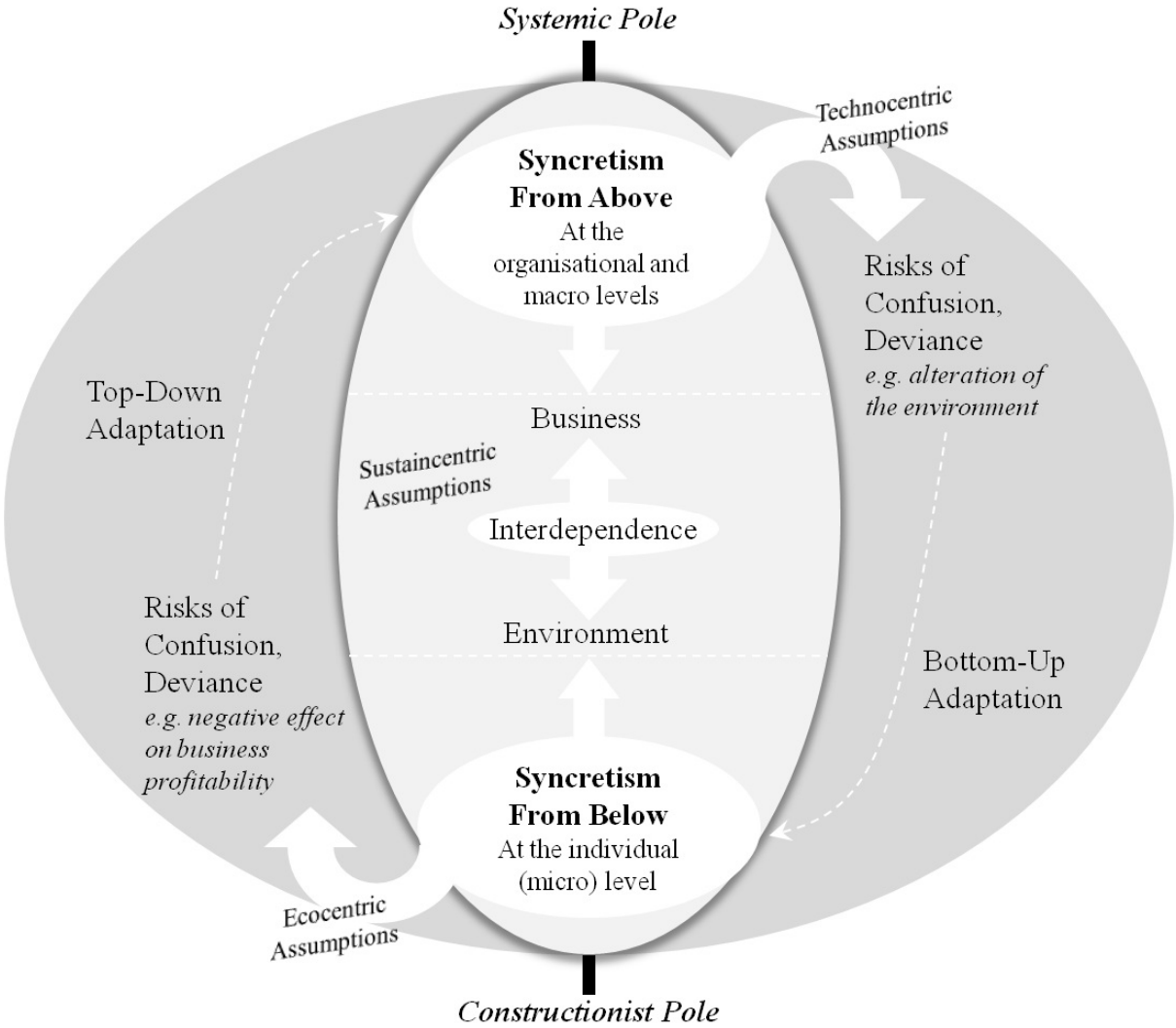
To recapitulate, discourses on ESR engagement are discussed to iterate between two lenses: syncretism from above as hierarchical encompassment, systemic development and syncretism from below as individual construction. The assumption of syncretism is that power dynamics

between these two poles determine the firm's capacity to achieve a synthesis of responsibilities. In a content analysis of 96 speeches delivered by MNEs from the extractive industry, Hofferberth et al. (2011) found that corporate action is not only justified by arguments derived from a logic of expected consequences – e.g. business reasoning and long-term profit maximising – but also related to constructionist contingencies such as socially held expectations and ethical values. Their conclusion is that corporate participation in CSR initiatives can be explained in terms of their appropriateness – i.e. through processes of debate and learning, in line with the concept of syncretic stewardship (Berger et al., 2007) – instead of referring solely to profit, instrumental motivation and other systemic contingencies (Hofferberth et al., 2011).

Figure 5 illustrates the challenge of syncretism to strike a balance between the demands and rewards for non-economic versus economic criteria at the individual (micro), organisational (meso) and macro levels (Berger et al., 2007). Siegel (2009) corroborates the salience of individual-level and organizational (or instrumental) factors in understanding the antecedents and consequences of a firm's decision to engage in ESR. The concept of syncretistic equilibrium is represented by a pattern of infiltration between syncretism from above and syncretism from below.

Figure 5. The syncretistic framework

Source: author's own construction.



An assumption in this thesis is that syncretistic thinking may help to unravel the reinforcement contingencies that invest firms with the capabilities to successfully respond to economic, environmental and social challenges. The larger circle in Figure 5 is meant to encompass the array of influences and responsibilities of firms. The model predicts the possible emergence of biases towards either economic (and legal) responsibilities (right side of the ‘sphere’) – as the study of Dahlmann, Brammer and Millington (2008b) illustrates – or what Carroll and Shabana (2010, p. 90) refer to as the “essence of CSR”, that is ethical and/or philanthropic responsibilities (left side of the ‘sphere’).

The dotted arrows and lines in Figure 5 portray the suggestion that existing knowledge is too limited to build strong certitudes as to the definition of clear pathways to the achievement of syncretistic equilibrium. The complexity and subjective nature of the issues facing businesses on how to integrate, measure and control ESR increases risks of deviances and confusions in application. Advocates of Friedman's view may apprehend syncretism as a possible violation of the essence of the core corporate mission of economic growth and shareholder value creation; others may adhere to the idea of a need for new business values and responsibility dimensions for changing the industrial context and giving more emphasis to green issues. This debate is well reflected by the use of syncretism insofar as the term has historically been questioned about whether it is a good or bad thing; whether, for instance, it constituted "a positive achievement which strengthened and enriched Christianity" or "an entirely unprincipled jumbling together of religions" (Stewart & Shaw, 1994, p. 4).

From the non-pejorative perspective (Figure 4, p. 69), syncretism aims to explore ESR integration by embedding constructionist drivers and, by this means, challenging – yet not excluding – systemic explanations. In other words, syncretism from below performs a counterbalance effect on (yet does not constitute an alternative to) syncretism from above. The effect is discussed in the following to translate a capacity to learn to act ethically (or perform ESR) and lead green management practices. This Chapter closes with a discussion of the mechanism of syncretism as a psychological construction.

4.3.4.1. The challenges of learning and leading

The notion of syncretism from below draws attention to the critical role of individual agents of management and inherent constructionist contingencies. Among such contingencies, particular emphasis is placed by business and management scholars on the capacity to learn and build awareness about environmental issues. Camps and Majocchi (2009) provide empirical evidence of a positive relationship between organisational learning capabilities/acquisition of knowledge and ethical behaviour. Organisational learning capabilities are grounded into a (learning) culture that promotes the acquisition, creation, and transfer of knowledge as fundamental values (Camps & Majocchi, 2009). The learning culture arguably stems from individuals' acquisition of knowledge and evolves with the exchange and integration of this knowledge within the organisation until a corpus of collective knowledge is produced (Camps & Majocchi, 2009). A firm's internal learning and adaptation

capabilities (and knowledge and understanding), according to Ackoff (1988); and W. M. Cohen and Levinthal (1990), are key determinants of a firm's efficiency.

The development of internal learning as impetus for ESR integration ought to be accompanied by efforts to tighten the link with stakeholders and, thereby, develop external awareness (Zadek, 2004). The notion of license-to-operate – defined by Porter and Kramer (2006, pp. 81-82) as “the fact that every company needs tacit or explicit permission from governments, communities, and numerous other stakeholders to do business” – offers a concrete way for a business to identify social issues that matter to its stakeholders and make decisions about them. Zadek's (2004, pp. 127-128) reasoning on “societal learning” contends that companies ought to build awareness and capabilities to predict and credibly respond to society's changing awareness of particular issues. It follows that, as the issues of environmental protection, carbon emissions and climate change become absorbed into mainstream professional debate and into practice, companies must learn, innovate and adopt ‘unconventional’ commitments or risk becoming competitive laggards (Zadek, 2004).

According to Dutton and Jackson (1987); and Dutton and Dukerich (1991), which issues gain the attention of an organisation and how they are interpreted are important concerns. Issues represent focal points that galvanise interest and direct attention in organisations because of the consequences associated with action or inaction (Dutton & Dukerich, 1991). An issue focus underlines the importance of attention allocation and sensitivity to context (Dutton & Dukerich, 1991). Actions on an issue depend on the perception of organisational members on the central, enduring and distinctive character of the organisation. In a similar vein, Patter and van Lierop (2006) contend that issue selection is essentially driven by an internal consensus about the organisation's ambitions towards society. Dutton and Dukerich (1991) found a strong correlation between the motivation of individuals to take action on issues and their sense of organisational identity and image. While organisational identity describes what its members believe to be its character, organisational image describes attributes members believe people outside the organisation use to distinguish it. The implication is that “individuals have a stake in directing organisational action in ways that are consistent with what they believe is the essence of their organisation” (Dutton & Dukerich, 1991, p. 550). Patter and van Lierop (2006) further observe that, when individuals interact with others, they will aim for a shared sense of reality. This may result in the creation of a value consensus (Galaskiewicz & Burt, 1991) or a collective momentum of support or sensitivity towards a

specific social problem and the definition of a firm's responsibility towards the issue. For example, the success of Scandic Hotels in implementing a greening strategy across all activities, as reported by Robèrt (2002), is mostly explained by awareness raising, education amongst personnel – especially front line employees – and encouragement of individual creativity and initiative.

Braungart and McDonough (2008); and Zadek (2004) explain that innovative responsiveness to environmental issues requires a capacity to notice signals outside the company itself: signals in the community, the environment and the world at large. The link between business external pressures and internal response is notably captured in the green issue-attention lifecycle¹³ (Downs, 1972) – also discussed by Peattie and Ringer (1994) in their exploration of the organisational dimensions of the response to the green challenge – and in the concept of 'glocality',¹⁴ (Visser, 2010, 2011).

A number of authors support the idea of a positive relationship between corporate environmental responsibility and the adoption of long-term business perspectives (see for example, Braungart & McDonough, 2008; Carroll & Shabana, 2010). Companies with long-term perspectives are open to 'feedforward', not just feedback (Braungart & McDonough, 2008). Feedforwarding invests companies with the capacity to predict, and act upon, salient meta-trends (Reardon & Barrett, 2000) or meta-factors (Tukker et al., 2008). Meta-factors, according to Tukker et al. (2008), cannot be influenced directly by business actors in the short-term. They include meta-structures (infrastructure, geopolitical facts, etc), meta-values (individual sovereignty, democracy, free markets and trade, growth, fairness), meta-trends (individualisation, internationalisation, intensification, informatisation) and meta-shocks (wars, crises, natural disasters) (Tukker et al., 2008). In this thesis, meta-factors are conceived of as salient economic and environmental trends/issues. The salience of economic and environmental trends to companies is evaluated on the basis of their potential to inspire new (sustainable) products/services, business activities/models. For example, a firm's knowledge

¹³ In Downs' model, the first phase involves the creation of pressures for change and new legislation to address an environmental crisis; the pressures emerge from a burst of media and environmental response euphoria within society (Peattie & Ringer, 1994). Once legislation is enacted, the second phase involves assessing the cost of change, and a 'getting back to business' spell of quiescence and consolidation, before the next perceived environmental crisis starts the whole cycle off again (Peattie & Ringer, 1994).

¹⁴ The term glocalisation, Visser (2011) writes, comes from the Japanese word dochakuka, which simply means global localisation. The idea of 'think global, act local' entails that most ESR issues emerge as dilemmas, rather than easy choices (Visser, 2011).

of external environmental and social standards can be used to select, monitor and measure the performance of suppliers (Eccles et al., 2011).

'Lateral' syncretism

Learning to perform ESR is thus proposed to result in a capacity to build awareness about salient meta-factors. The pattern of corporate responsiveness to economic/environmental issues/trends constitutes a micro-level construct that requires individual and collective commitment. It is intended to provoke a form of 'lateral' syncretism – or “syncretism on a sideways basis of rough equality” (Shohat & Stam, 1994, p. 314) – whereby business agents are seeking inspiration for syncretistic equilibrium outside the 'conventional' scope of influence of the company. Elkington's (2001, p. 7) “Learning Flywheel” provides an implicit examination of the construct of lateral syncretism. He defines a cycle of organisational change composed of five phases: invasion, internalisation, inclusion, integration and incubation¹⁵ (Elkington, 2001). The phase of inclusion supports the argument of Alvesson and Willmott (1992) that dialog between a firm and its stakeholders should produce decisions which are agreeable to all parties; hence the need for syncretic stewards (Berger et al., 2007).

Using the (metaphoric) reference 'lateral' contributes to the coherence of the syncretistic framework by further specifying its spatial orientation. In the 'Natural Step Story', Robert (2002) identifies four system conditions which help to understand the challenge of lateral syncretism of embracing concerns for environmental trends. These conditions entail that a sustainable society is one in which companies: (i) “substitute certain materials that are scarce in nature with others that are more abundant, use all mined materials efficiently, and systematically reduce dependence on fossil fuels”; (ii) “systematically substitute certain persistent and unnatural compounds with ones that are normally abundant or that break down more easily in nature, and use all substances produced by society efficiently”; (iii) “draw resources only from well-managed ecosystems, systematically pursue the most productive and efficient use both of those resources and of land, and exercise caution in all kinds of modifications in nature”; (iv) finally “use all of our resources efficiently, fairly, and

¹⁵ In Elkington's (2001) model, the phase of invasion entails that new technology/business model causes new impacts. The phase of internalisation prescribes that externalities are increasingly internalised. The phase of inclusion promotes the engagement of a wider range of stakeholders. The phase of integration suggests that new priorities are integrated into business. Finally, the phase of incubation entails that new technologies/business models evolve.

responsibly so that the needs of all people on whom we have an impact now and the future needs of those not yet born stand the best chance of being met” (Robèrt, 2002, p. 64). These system conditions are proposed by Robèrt (2002) to provide a guidance to support ESR. By accounting for corporate systemic and constructionist contingencies, the syncretistic framework may help us to explore how companies may apply, or may be constrained in applying, such principles.

Hollender (2004) explains that businesses are often looking for non-profit partners to help them in the ESR process. They may not have the experience and expertise needed to develop ESR plans (Hollender, 2004; Menon & Pfeffer, 2003). Partnerships with associations, nongovernmental organisations, or consultants may help to address green challenges in a responsible manner (Nissan, 2009) – as suggested by Hollender (2004). Some companies with high degrees of power distance and assertiveness are found by Berger et al. (2007) to be often calculative, confrontational and aggressive in their ESR initiatives and relationships with non-profit partners – as opposed to syncretic stewards who tend to be highly transparent and open in their relationships.

Eccles et al. (2011) found that a firm’s attention to externalities is partly determined by distinct governance mechanisms. These mechanisms directly involve the board in sustainability issues (Eccles et al., 2011). The involvement of business leaders in supporting and sustaining a corporate ESR agenda, it is proposed, is paramount to the achievement of syncretistic equilibrium. Business leaders ought to cultivate the creative mindset required for achieving lateral syncretism.

Ethical leadership

Numerous authors emphasise the critical role of leaders and leadership styles in determining the ‘ethicality’ of companies¹⁶ (see for example, Agatiello, 2010; Ashforth, Gioia, Robinson, & Treviño, 2008; Bartlett, 2003; Brown & Mitchell, 2010; Duarte, 2010; Herciu & Ogrea, 2008; Sully de Luque et al., 2008; Treviño, Weaver, & Reynolds, 2006; Waldman & Siegel, 2008; Waldman, Siegel, & Javidan, 2006). Business leaders, according to Brown and Mitchell

¹⁶ The philosophy of Emmanuel Lévinas (1981/2004) refutes the possibility of corporate ethics. Consistent with Lévinas and the notion of managerial ethics, only business leaders are capable of responsibility and likely to inculcate appealing values and sensitivity within the organisation.

(2010); and McNulty and Davis (2010), set the tone for organisational goals and behaviour. Ciulla (2007) contends that leaders are the founders and promoters of values in organisations. Their own values determine the perception of what is important to the company (Ciulla, 2007). In a study of Brazilian companies, Duarte (2010) found that to a significant extent the successful development of CSR cultures in firms is the result of 'championing' by a few managers, due to their personal values and beliefs.

In line with the notion of lateral syncretism, Ashforth et al. (2008) explain that corporate leaders need to 'think big' – to consider the wider societal and even global implications of business actions. The way leaders interpret the nature of their organisations and judge the salience of environmental issues is found by Sharma (2000) to determine the level of ESR integration. Business leaders, as explained by Barton and Gordon (1987); Sully de Luque et al. (2008); and Waldman and Siegel (2008), must align strategic/operational efforts with corporate values; in particular, these values are to be communicated clearly throughout the organisation.

The values endorsed by business leaders are increasingly scrutinised in recent research on ESR. Particular concerns are with the dominance of instrumental values and technocentric views in the practice of management (Gladwin et al., 1995). Striving for short-term gains over long-term organisational goals, for example, is advanced to be a type of destructive and instrumental behaviour (Illies & Reiter-Palmon, 2008). In explaining how CSR failed, Visser (2010, p. 8) asserts that business systems, governance and ethics, particularly in Western economies, are corrupted by a "cancer of greed". In the same vein, Bevan and Corvellec (2007, p. 209) refer to the dominant view of capitalism as "an avatar of modern barbarity". A general argument gaining momentum in the literature is that it is partly from failures to embrace considerations to the human dimension that contingencies of disorders have emerged (see for example, Aguilera et al., 2007; Ansoff & Sullivan, 1993; Ashforth et al., 2008; Camps & Majocchi, 2009; Visser, 2010). A rationale for syncretistic deviances at the constructionist pole of the syncretistic framework may be that "bad apples make bad barrels" (Ashforth et al., 2008, p. 678). A large amount of resistance against organisational change may be understood as self-interest that comes from how individuals personalise events in making meaning of them (Isabella, 1990; Sonenshein, 2009).

Pearce and Manz (2011) argue that the antithesis of ESR is embodied in executive corruption and malfeasance. Agatiello (2010) defines corruption as an action, omission, vice or abuse that diverts the ethical or legal obligations of an organisation towards private objectives of economic benefit. The underlying effect of corruption lead business agents – including leaders – to induce to lower standards in order to enjoy the rewards of power (Agatiello, 2010). Ashorth et al. (2008, p. 681) conclude a review of organisational corruption – or unethical behaviour – by opening up the prospects for further research: “It is our place as scholars to suggest useful ways of thinking about and acting on corruption so that ‘no to corruption’ becomes an institutionalised part of the fabric of organisational practice”.

To understand what are the determinant values of a firm/leader’s ethicality, Bilsky and Koch (2000); and Graf, Van Quaquebeke and Van Dick (2011) praise the robustness of Schwartz’s (1992, 1994) values orientation model. Schwartz (1992, 1994) identifies ten general value types: universalism, benevolence, tradition, conformity, security, power, achievement, hedonism, stimulation and self-direction. In essence, the proposition of Schwartz (1992, 1994) is to organise the ten value types along two orthogonal bipolar dimensions. The first dimension contrasts the poles self-transcendence and self-enhancement. The second dimension opposes the poles conservation and openness to change. The argument of Schwartz (1992, 1994) is that people differ in terms of the subjective and relative importance they place on each value type and thus in terms of the dynamic organisation of the priorities in their value systems. Illies and Reiter-Palmon (2008); and Fritzsche and Oz (2007) converge on the idea that individuals with self-enhancement values tend to be more destructive and inclined to corruption than individuals with altruistic or self-transcendence values – with the core values of power (self-enhancement) and universalism (self-transcendence) being most influential. Illies and Reiter-Palmon (2008) specify that individuals define and structure leadership problems in a manner that reflects their value systems, which in turn, affects the problem solution they generate (Illies & Reiter-Palmon, 2008). Business leaders with self-enhancement values, for example, may generate a syncretistic dysfunction whereby systemic prerogatives prevail over, or fail to be counterweighed by, moral concerns about environmental issues.

The attunement approach, proposed by Swanson (1999) and extended by Orlitzky and Swanson (2002), suggests the unification of the normative (what businesses should or should not do) and the descriptive (what corporations do or can do) to build a coherent theory of

business and society. The approach implies that business decision-makers must be receptive to values which can direct their companies to respond affirmatively to a variety of stakeholder concerns (Orlitzky & Swanson, 2002) – e.g. altruism, self-transcendence (Schwartz, 1992, 1994). The process of receptiveness to pro-ESR values is referred to by Orlitzky and Swanson (2002, p. 119) as “value attunement”. The influence of business leaders can be synthesised in two contradictory patterns. On the one hand, they have the possibility of providing a favourable climate to identify and contrive solutions to salient economic and environmental issues (Ashforth et al., 2008; Pearce & Manz, 2011). On the other hand, they are in a position to authorise corruption (Ashforth et al., 2008; Pearce & Manz, 2011). Value attunement, as a potential solution to prevent corruptive/destructive behaviours, is facilitated when organisational hierarchy is low, open discussions are encouraged, and misinterpretations of messages are prevented (Orlitzky & Swanson, 2002).

Pearce and Manz (2011) found that the combination of high self and shared – or distributed – leadership reduces the probability of corporate social irresponsibility and corruptive tendencies due to greater integration of leadership checks and balances. Self-leadership assumes that leadership originates from the self and does not require the traditional roles of leader and follower (Pearce & Manz, 2011). The leader and the follower can be one and the same, as leadership is self-imposed (Pearce & Manz, 2011). By contrast, Waldman et al. (2006) use the traditional leaders/followers structure, and discuss the notion of transformational leadership, to argue that ESR integration requires leaders and followers raising one another to high levels of motivation and purpose .

Shared leadership is argued by Pearce and Manz (2011) to be complementary to self-leadership in that it introduces a set of checks and balances in the overall leadership system. Checks and balances have a modulation effect on what Nadler (1981) refers to as major problems affecting change processes within organisations: control and power. Self and shared leaderships can arguably fulfil individuals’ need for control, for belongingness and for a meaningful existence at the same time as it can invest business agents to endorse their organisation’s engagement in social change through ESR (Cantor & Rayner, 1994).

4.3.4.2.A psychological construction

The above discussion alludes to the idea that the ESR transition advocated by the syncretistic framework is fundamentally driven by psychological factors. In a syncretistic management

context, the process of strategic decision-making involves managers weighing the odds about whether the outcomes of their decisions are positive or negative for both/either business and/or the environment. This psychological construction may make them susceptible to cognitive dissonance; i.e. a “state of tension whenever an individual holds two cognitions (ideas, attitudes, beliefs, opinions) that are psychologically inconsistent” (Aronson, 1995, p. 178). Darley (1996), Cialdini (1996), Bakan (2004) argue that all managers are vulnerable to situations created by the very nature of corporations (e.g. status quo, profit-seeking). These situational factors, combined with psychological forces, may leave business agents vulnerable to high levels of moral dissonance (Lowell, 2012).

A manager may be tempted by an immediate opportunity to generate profits, in spite of the activity possibly standing against his/her moral standards and concerns for environmental issues. Cognitive dissonance may also result from inconsistencies between one’s behaviour and one’s cognitions (Lowell, 2012). In the above scenario, if the manager decides to exploit the opportunity to increase profits, it is highly probable he/she will be subjected to some kind of dissonance; in that his/her conduct (i.e. increasing profits) is at odds with his/her sensitivity to environmental issues. Dissonance is an uncomfortable state (Lowell, 2012). Therefore, our intuition is to try to reduce it (Lowell, 2012). Lowell (2012) observes that all theories of dissonance highlight and assume a psychological need for consistency and consonance. Sears, Peplau and Taylor (1991, p. 157), in line with Festinger (1962), explain that dissonance “operates much like any other drive: if we are hungry, we do something to reduce our hunger, if we are afraid we do something to reduce our fear; if we feel dissonance we do something to reduce it also”.

To reduce dissonance, Lowell (2012) indicates that managers have used moderating strategies (e.g. blaming the victim, self-affirmation, etc) without which they would not be able to function. Tsang (2002, p. 34) refers to these strategies as “moral rationalisation”; they enable managers to build the conviction “that their preferred unethical choice is consistent with moral standards”. Cognitive Dissonance might thus be reduced by moderating our actions but far more often through self-justification (Lowell, 2012). Continuing with the same example, the manager faced with an opportunity to increase profits might use self-justification before the fact by questioning whether the profitable activity might cause environmental damage. The need to reduce dissonance is particularly felt when the consequences of an action are foreseeable or foreseen (Lowell, 2012). This relates to the idea of Braungart and McDonough

(2008) that a company might be equipped to respond to environmental issues if it foresees the impact of its activities on the environment – i.e. if it notices signals outside the company itself, from the community, the environment, etc. When a particular course of action turns out to be erroneous, or environmentally destructive, and when the evidence for such an outcome is obvious and/or compelling (Sears et al., 1991), a manager might be willing to adopt a different course of action. Lowell (2012) provides the example of a manager of a factory giving permission for an employee to empty toxic material into the river – an action which will lead to the death of thousands of fish. Because the consequences are both foreseeable and foreseen, the manager's dissonance is acute (Lowell, 2012) and, consistent with the logic of Sears et al. (1991), he/she will attempt to reduce it by reversing his/her decision.

The idea of lateral syncretism induces a link between a firm's societal awareness and the actions taken, or changes adopted, by the firm to prevent both economic and environmental failures through bottom-up/top-down adaptations. Burnes and James (1995) specify that employees' knowledge of a situation and conditions in which they work may enable them to define whether change really is required and, if so, what form it should take. Building awareness about environmental issues is construed as a collective effort of learning and leading. A sense of shared responsibility for consequences may foster ethical management (Lowell, 2012) and facilitate ESR integration. If a CEO orders a manager to put toxic waste in the river, and the manager perceives or feels that he/she is therefore not responsible, his/her dissonance will be minimal whether the consequences were foreseeable or foreseen (Lowell, 2012). The CEO's may conversely be vulnerable to high levels of dissonance because he/she is the responsible person and the consequences of the activity were foreseeable or foreseen (Lowell, 2012).

Sensitivity to environmental concerns is likely to facilitate ESR integration. The reason is that the perspective of harming the environment will make an environmentally sensitive manager's cognitive dissonance more acute and the need to reduce these dissonances stronger. Affect and emotion are integral to the very nature of cognition, infusing reasoning, learning, decision-making and action (Hodgkinson & Healey, 2011; LeDoux, 2000). To the extent that affect controls emotion (Compton, 2003), the moods and emotions of managers determine to a significant degree what the firm attends to and how it responds (Hodgkinson & Healey, 2011). Emotional commitment to a new strategic direction that accommodates "aspects of the firm's core" arguably facilitates an organisation's "transition to a new identity as an innovator

of sustainable solutions in a way that reassures rather than threatens” (Hodgkinson & Healey, 2011, p. 1510). Emotionally supportive mechanisms are constructed individually (as mentioned in section 2.2, p. 12) and embraced collectively. The ‘ecomagination’ project of General Electric (GE) discussed by Heath (2010) can be proposed as an illustration. In reflecting on the way GE manages change when change is hard, GE chief executive Jeff Immelt explains that his task is to convince workers that the firm can benefit from the trend towards sustainable business operations (Heath, 2010). His view is that firms should aim to improve and become more sustainable by emulating their own best qualities (Heath, 2010). It is understood that changing the way GE’s business operational and managerial agents perceive and do things requires their emotional commitment (Heath, 2010; Hodgkinson & Healey, 2011). One potential barrier to change noted by Hodgkinson and Healey (2011) is the fact that some business agents who built their career around well-established operational and/or managerial practices feel directionless. Conservation (security, conformity, or tradition) opposes openness to transformation (Schwartz, 1992), promotes the idea of ‘business as usual’ and rejects the non-pejorative assumptions of syncretism (cf. Figure 4, p. 69).

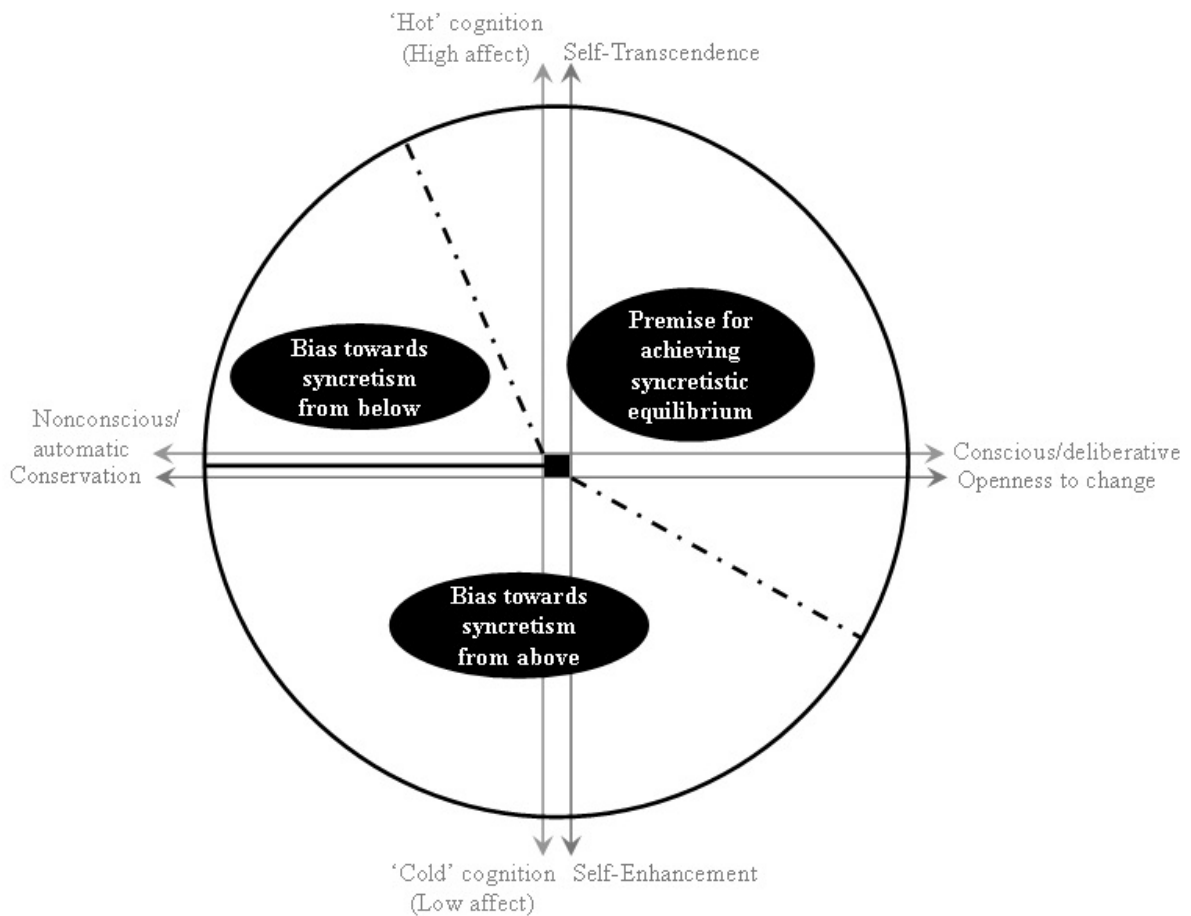
The model proposed by Schwartz (1992) arrays values in terms of the extent to which they motivate people to enhance their own personal interests (even at the expense of others) versus the extent to which they motivate people to transcend selfish concerns and promote the welfare of others, close and distant, and of nature. The change needed to integrate concerns for environmental issues in the practice of management is a shift from focusing only on our personal needs and wants to also prioritizing the many ecological and social relationships each of us are part of, those that make life possible and worthwhile. This change may be referred to as a shift from the exclusive pursuit of self-enhancement – a condition of ‘cold’ cognition – to also pursuing self-transcendence. ‘Hot’ cognition (i.e. high affect) – a term used by Hodgkinson and Healey (2011) – is arguably a desired psychological attribute for driving the transformation prescribed by syncretism. If the affect is relatively low, a business agent’s openness to change may still suffice to operate syncretistic changes as this might be driven by the individual’s endorsement of the corporate conception that ESR is the right thing to do. The likelihood of holistic ESR integration is arguably high when the affect is collectively high and business agents are open to change (Hollender, 2004). This combination allows for the reduction of cognitive dissonances. If business agents (managers, ‘ground

floor' workers) believe ESR is the right thing to do, they will be willing to facilitate ESR integration.

Figure 6 illustrates the assumptions made in this section about the psychological construction of syncretism. It combines Schwartz's (1992, p. 45) value continuum with Hodgkinson and Healey's (2011, p. 1503) dimensions of strategic cognition. Syncretistic equilibrium is arguably facilitated when: (i) affect of environmental concerns on business agents is high as they pursue self-transcendence and/or (ii) conscious/deliberative processes prevail over nonconscious/automatic processes and business agents are open to change. 'Cold' cognition is associated with the value of self-enhancement; it is assumed to provoke a bias towards syncretism from above, particularly when low affect is combined with the value of conservation. From this perspective, ESR is desirable only to the extent that it contributes to systemic advancement. Non-conscious/automatic processes related to, e.g., strategic decision-making, business operations are associated with the value of conservation; they may generate a bias towards syncretism from below when cognition is 'hot'. From this perspective, ESR is desirable only to the extent that it harmonises with the values/beliefs of business agents

Figure 6. Assumptions about the psychological construction of syncretism

Source: author's own construction.



4.4. Conclusions on the theoretical framework and research directions

In summary, the theoretical framework developed in this Chapter reflects a tentative step to anchor the concept of syncretism in the field of strategic management and ESR. Presented as a metaphor originating from the culture/religion literature, the concept of syncretism is arguably a resource for political reflection on corporate environmental responsibility. The syncretistic rationale predicts a firm's level of environmental performance on the basis of its capacity to align systemic objectives with constructionist drivers – as sketched in Figure 5 (p. 81). An inherent aspiration is to achieve a synthesis of conflictive (or potentially perceived so) responsibilities. To do so, companies are commended to widen the scope of responsiveness to consider the syncretistic integration of salient meta-trends/factors. In other words, the proposition is to pursue an alliance between syncretism from above (systemic pressures), syncretism from below (learning, leading) and lateral syncretism (consideration of

meta-factors). The discussion finally points to the psychological attributes of business agents and how they determine the possibility of achieving syncretistic equilibrium. Managers' high affect about environmental issues and openness to change are emphasised as essential catalysts for ESR integration.

In Chapter 3, the literature review examines the compatibility between green and business performance leading to the framing of ESR integration into four scenarios of compatibility: trade-off, ambidexterity, synergy, and symbiosis. The concept of syncretism extends the reflection to contend that ESR integration is contingent on the firm's systemic and constructionist characteristics. The firm's syncretistic context is argued to determine its capability to embrace considerations of environmental issues/trends while, at the same time, meeting objectives of economic growth. A company's conception of the compatibility between green and EFF² is hence intertwined with the company's systemic and constructionist contingencies. Both Chapter 3 and Chapter 4 discuss human factors (otherwise referred to as business agents or individual agents of management) as a central element of analysis. The approach of business agents to systemic imperatives (operational compatibility) and the constructionist biases/drivers of ESR and business performance (normative compatibility) are discussed to determine the contingencies relevant to ESR integration. The critical literature review of ESR research captures two essential, arguably intertwined, knowledge voids: (i) lack of clarification about the way business agents conceive the compatibility between green and business performance; and (ii) a lack of conceptual insight into the dynamics (harmony or contention?) between constructionist contingencies and business systemic imperatives.

Regarding the first knowledge void, an assumption raised in Chapter 3 is that the compatibility between green and EFF² is not uniform. Trade-off, ambidexterity, synergy and symbiosis may emerge simultaneously within a single company. The variability depends on the way the firm's functions and divisions interpret EFF² and influence ESR strategies. An objective of this thesis is to examine this assumption and generate new insights into the construct of ESR integration by addressing the following research questions:

- How do firms perceive and act upon the link between green and EFF²? The findings are predicted to provide an extended, more accurate typology of environmental strategy management. The extended typology is anticipated to mirror the way companies approach the four scenarios of compatibility on the basis of the strategic

approach of business agents – i.e. is ESR a function of operational and/or normative aspects of compatibility?

- How can companies overcome trade-offs? As discussed in Chapter 3, a number of authors point to the need to move beyond trade-offs and envision more advanced ESR integration perspectives. The prediction is that using the Four Compatibility Scenarios framework can help to clarify the mechanism of ‘beyond trade-offs’ perspectives. Investigating the dynamics between different levels of compatibility may unfold the range of strategies which either facilitates or impedes green performance.

As far as the second knowledge void is concerned, the assumption raised in the Chapter above is that a firm’s conception of the compatibility between green and EFF² is linked to a range of specific systemic and constructionist characteristics. The empirical work uses the syncretistic framework in an attempt to elicit the broad contingencies of relevance of ESR integration. The dynamics between syncretism from above, syncretism from below and lateral syncretism are sought to be clarified by addressing the following research questions:

- How may systemic objectives impede ESR integration? The idea of prevalence of economic ambitions over societal responsibility is advanced in the theoretical discussion to constitute a primary source of syncretistic dysfunction. The findings are predicted to provide insights into important systemic contingencies; and elicit whether these contingencies facilitate or constrain ESR integration.
- How may constructionist drivers relax systemic pressures? The empirical research further aims to understand the constructionist contingencies which not only determine a firm’s sensitiveness to environmental issues but may reinforce the link between syncretism from above and syncretism from below.
- What are the conditions for achieving lateral syncretism? The thesis aims to understand the dynamics between syncretism from below and syncretism from above by considering the concept of lateral syncretism. A tenet of business strategy is that companies are to identify and act upon salient meta-factors/trends which may affect a firm’s environmental and/or economic performance. The empirical work aims to unfold the mechanisms of syncretism and understand the construct of the alliance between syncretism from above, syncretism from below and lateral syncretism.

The following Chapter discusses the research design chosen to address these research questions, challenge the aforementioned assumptions and develop/refine the theoretical propositions. The empirical application relates to the views and experiences of business consultants; and a case study of a UK brewery.

5. Research design

The research design is the general plan of how research questions are answered (Creswell, 2009). Creswell (2009) explains that the overall choice of design is the product of a reflection on the interconnection between three axes: the worldview assumptions the researcher brings to the study, the procedures of inquiry and the specific methods of data collection, analysis and interpretation. In this Chapter, the objective is to critically reflect on these three methodological axes and inform the process of constructing a coherent/logical link between theory and research results. Throughout the Chapter, particular emphasis is given to validity issues.

To begin with, section 5.1 discusses ontological concerns. Ontology concerns the degree of objectivism and subjectivism researchers adopt in making assumptions about the way in which the world works. Section 5.2 describes and explains the selection of data sources with an emphasis on validity issues. In section 5.3, the data collection methods (interviews, field observations, internet search, etc) are presented. Finally, in section 5.4, data analysis methods are discussed; the adoption of content analysis (coupled with analytic induction) and explanation-building methods is explained.

5.1. Research philosophy

The overarching research philosophy mirrors a researcher's conception of reality (Saunders, Lewis, & Thornhill, 2009), the basic elements it contains (ontology) and what is the nature and status of knowledge (epistemology). The philosophical and theoretical paradigms adopted to examine a subject of inquiry steer researchers towards specific knowledge development routes and generate/propose directions for inquiry (Silverman, 2011).

Worldview assumptions, according to Saunders et al. (2009), are thus critical in the selection of a research strategy and underlying methods. Prior to introducing critical realism as a research philosophy and elaborating on methodological implications, the discussion begins with an evaluation of ontological claims – i.e. objectivism and subjectivism.

5.1.1. Ontology: reflecting on objectivism and subjectivism

As Saunders et al. (2009, p. 110) put it, “ontology is concerned with the nature of reality” and refers to our assumptions about the way in which the world works. It raises the question of whether social phenomena and their meanings are understood as objective entities that have a reality external to social actors, or whether they are shaped by social constructions or subjectivism built up from the perceptions and actions of social actors (Bryman & Bell, 2007; Saunders et al., 2009).

Saunders et al. (2009) discuss the objectivist and subjectivist ontologies within business research. They support the idea that organisational management challenges – such as ESR – are apprehended differently according to whether the researcher adopts an objectivist or subjectivist standpoint. On the one hand, management may be conceived as an objective entity (Saunders et al., 2009). Researchers, therefore, are inclined to view business managers as having job descriptions which prescribe their duties, adhering to operating procedures, and being part of a formal structure which locates them in a hierarchy with people reporting to them and they, in turn, report to more senior managers (Saunders et al., 2009). On the other hand, management may be viewed as a subjectivist entity (Saunders et al., 2009). The subjectivist view emphasises the uniqueness of managers. Managers in an organisation are different from managers in another organisation (Saunders et al., 2009). Management is thus the result of the way social actors (i.e. managers) concerned with its creation perceive, and consequently act toward, managerial challenges (Saunders et al., 2009). This view involves an embracing of the self, of individuality and reliance upon personal feelings, intuition, and values (Lakoff & Johnson, 1980).

Subjectivist standpoints refute the idea that management in an organisation has a reality that is separate from the managers that inhabit that reality (Saunders et al., 2009). Objectivist standpoints, in contrast, consider social actors as separate from their environment (Lakoff & Johnson, 1980). In line with Lackoff and Johnson (1980) and given a view of managers as separate from the system, successful business management is conceived of as mastery over the system. In other words, systemic progress predicts business performance. The theoretical framework drawn in the previous Chapters reflects an ontological position which accounts for objective challenges within, and subjective influences on, ESR integration. This position emphasises the objective reality of economic and environmental pressures on companies yet

considers the critical judgement of social actors (managers) in constructing meaning about the nature and mission of their organisation. The notion of syncretism from above, for example, relates to objective challenges. It assumes that ESR involves harmonising with contingencies such as shareholders' interests and regulations. The notion of syncretism from below, in contrast, relates to subjective challenges. It suggests that ESR involves harmonising with the personal values, cultures, cognitions of business agents.

The integrated subjective/objective ontological position endorsed in this thesis holds implications for methodological choices. Critical realism is discussed by Bhaskar (1998); and Alvesson and Sköldberg (2000) as a philosophical standpoint – alternative to social constructionism and positivism – that views research process as a constant digging into the ontological depth of reality within objective structures. In the following, the discussion presents critical realism as the chosen social science perspective for building a coherent relationship between the research issue, the research questions, the methodological approach and the theory applied.

5.1.2. Critical realism as philosophical perspective

This thesis adopts an approach that makes its commitment to realism explicit as opposed to secreting an implicit relativist realism (constructionism) or an implicit empiricist, material realism (positivism) (Patomäki & Wight, 2000). In this section, the suitability of critical realism is contrasted against the relative unsuitability of positivism and social constructionism in this study. Commitment to critical realism particularly enables the integration of the 'individual dimension' in reflection; it relates the individual to business strategy and ESR in a challenging, non-conflationary or non uni-directional way.

Critical realism assumes that, whilst there is a reality that can be experienced and observed (e.g. business performance is linked to ESR integration), this reality is shaped by a complex web of causal powers and unobservable entities. Proctor (1998, p. 360) defines realism as “the ontological proposition that reality exists independent of our ideas of it, and the epistemological proposition that this reality is, to some significant extent, knowable”; critical realism posits that this 'knowable' reality is interpreted through social conditioning (Saunders et al., 2009). The epistemological position defines the representation of reality; it concerns what constitutes acceptable knowledge in a field of study (Saunders et al., 2009). Bergin et al.

(2008) view critical realism as a philosophical field that suggests a shared ontology and epistemology for the natural and social science. The pursuit of an integration of natural and social science perspectives is commended by Korhonen et al. (2004) to address the lack of consideration of human influences in the field of IE (cf. section 4.1). Critical realism – originally proposed by Bhaskar (1978), “in part inspired by Marx’s view of science” (Alvesson & Sköldbberg, 2000, p. 39) – is often presented as an alternative to the paradigmatic divide between relativism (social constructionism) and positivist-empiricist universalism. Positivism accommodates observable facts/data; facts are reduced to measurable phenomena (Alvesson & Sköldbberg, 2000). This inspires a link to empiricism (Harré, 1981). Positivist researchers tend to treat observable facts or representations as unproblematic representations of an object (Fleetwood, 2005). They also tend to resist the use of theoretical entities as part of the scientific process (Alvesson & Sköldbberg, 2000). By contrast, critical realism acknowledges the existence of various modes of reality. Reality can be material, ideal, artefactual and social¹⁷. Critical realists, invested with this extended view of reality, advocate the existence of unobservable entities or structures (causal mechanisms). This claim, according to Mason (2002) and Sayer (2000), facilitates the production of warrantable knowledge and increases research validity. Critical realism accommodates both theory-driven and theory-oriented approaches (Alvesson & Sköldbberg, 2000; Bhaskar, 1998). This thesis uses theoretical entities as a prism through which reality is defined and upon which theory is intended to be constructed. The research process aims to formulate theoretical generalisations by constituting the social situation as anomalous with regard to some pre-existing theory (i.e., an existing body of generalisations), which is then reconstructed (Bhaskar, 1998). Patomäki and Wight (2000) explain that knowledge of phenomena, generated by critical realists, must come through a transformation of pre-existing knowledge; a set of antecedent materials, referred to by Bhaskar (1998) as transitive objects – e.g. theories, paradigms, models, etc.

The antipode of positivism is often presented to be social constructionism. For social constructionists, reality is not something that is naturally given (Alvesson & Sköldbberg, 2000). It is socially constructed (Alvesson & Sköldbberg, 2000). The principal discordance between critical realism and social constructionism, according to Fleetwood (2005), relates to ontological claims. Fleetwood (2005) prescribes critical realism as a fruitful alternative to social constructionism and positivism. He notably argues that the tenet of social

¹⁷ See Fleetwood (2005) for description; refer to Burr (1998); Keenoy (1997); Shenhav and Weitz (2000); and Chia (2000) for confusions between modes.

constructionism that discourse, language or some other conceptual or cognitive activity create socially real entities such as organisational structures is an “ontological exaggeration” (Fleetwood, 2005, p. 206). In other words, social constructionism may exaggerate the consequences of activities such as speaking and thinking to the point where it might be compared to subjective idealism (Fleetwood, 2005).

In the field of business and strategic management, the paradigms used to investigate ESR have generated a variety of directions for inquiry. Carroll and Shabana (2010) point to the methodological differences and biases in data interpretation of studies investigating the link between corporate social performance and corporate financial performance. These differences and biases, along with the failure to integrate mediating variables and situational contingencies, have produced inconsistent results (Carroll & Shabana, 2010). As discussed in Chapter 3, the link between ESR and business performance is found to be positive by some, negative by others, producing an inverted U shape by some, and inconclusive results have been found by others (Preuss, 2011). This epistemological inconsistency is arguably hardly solvable insofar as they plausibly (and in part) stem from the variety of worldviews of strategic management scholars inquiring into ESR issues. Saunders et al. (2009, p. 108), for example, make a distinction between “resources researchers” and “feelings researchers” who have different philosophies of knowledge development.

Positivists may focus attention on observable phenomena: they are hence attuned to collect and analyse objects that are considered to be real, such as computers, trucks and machines (Saunders et al., 2009). They consider data on the basis of resources needed (Saunders et al., 2009). As a case in point, ‘resources researchers’ might view indicators of a business economic performance as objective data insofar as they have a separate existence to that of the researcher. They arguably tend to emphasise the influence of business (objective) aspirations on ESR.

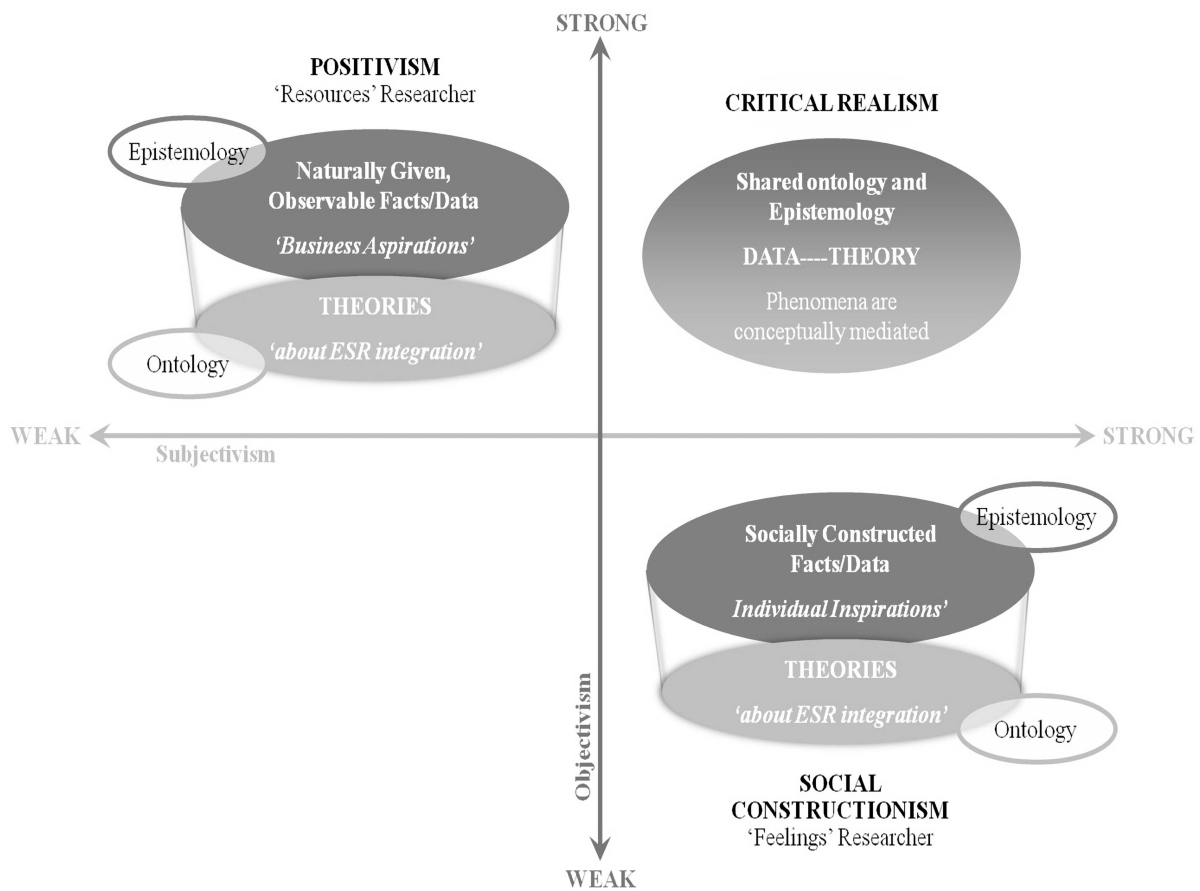
Social constructionists, on the other hand, may be comfortable with the study of feelings and attitudes of the workers towards their managers in that same manufacturing process (Saunders et al., 2009). They are interested in social phenomena which have no external reality (Saunders et al., 2009). As a case in point, ‘feelings researchers’ might give prevalence to the collection and analysis of narrative or discursive forms of data relating to the sensitivity of individual agents of management toward environmental issues. They arguably tend to emphasise the influence of individual (subjective) inspirations on ESR.

Saunders et al. (2009) argue that the critical realist's position that the social world is constantly changing is much more adapted to the purpose of business and management research: which often amounts to comprehending the reason for phenomena as a precursor to recommending change. The specific nature of syncretism, of balancing/reconciling two apparently opposing perspectives, makes it particularly suited to a critical realist approach and unsuited to a positivist or social constructionist approach.

Figure 7 is an illustration of the contrast between three "reference points" in the philosophy of science: positivism, social constructionism, and critical realism (Alvesson & Sköldbberg, 2000, p. 15).

Figure 7. Contrasting the ontological and epistemological assumptions of critical realism, positivism and social constructionism

Source: author's own construction.



5.1.3. Methodological implications

In line with Bhaskar and Lawson (1998), critical realism is conceived of as an overall frame of reference (or model) for defining methodological preferences. It constitutes a philosophical affiliation that affects the research questions put to reality and the manner in which this is done (Bhaskar & Lawson, 1998). A fundamental claim of critical realism, to reiterate, is the existence of human-independent and un-observable structures/mechanisms/forces that account for patterned and observed events (Mingers, 2004b). These 'mechanisms' can take the form of a theoretical framework (e.g. compatibility scenarios and syncretism). They are referred to as 'generative mechanisms' (Blom & Morén, 2011) or 'causal mechanisms' (Alvesson & Sköldberg, 2000) because they generate/cause the appearance and order of events. Mingers (2004b) explains that, from the critical realist perspective, any attempt to discover and describe the generative mechanism(s) is affected by interests, myopia and error.

The implication is that there can be no objective way of knowing whether one has correctly identified (or refuted) the generative mechanism(s) (Mingers, 2006). By contrast, positivism assumes that the mathematical order of events – i.e. observable mechanisms – allows for generating objective knowledge (Mingers, 2006).

In Bhaskar's (1978) model, reality consists of three domains: the Real, the Actual and the Empirical. These domains cannot be conflated; instead, they are ever-present, mutually informing and constitute progressively deeper levels of reality (Bhaskar, 1978).

Wry (2009) defines the domain of the Real as high-level and relatively enduring sets of beliefs which furnish the broad principles that shape actors' understandings of legitimate behaviour. The Real embraces both the generative mechanisms (i.e. what is conceived of in this thesis as the driving forces for ESR integration) and the ideas that are developed about them. In this thesis, the generative mechanisms suggest a description (Mingers, 2004a) of ESR integration as the product of (i) business agents' conceptions of the compatibility between green and business performance; and (ii) syncretistic dynamics driven by systemic and constructionist contingencies.

The domain of the Actual is nested in the domain of the Real (Bhaskar, 1978; Sayer, 2000). Archer (2000) defines the Actual as the recurring and self-reinforcing patterns of action that are produced by the generative mechanisms. It encapsulates all events (and non-events) that are caused by the generative mechanisms; the occurrence of which is independent of the researcher (Alvesson & Sköldböck, 2000). These events or patterns, according to critical realism, cannot be observed directly but can only be glimpsed through a theory-laden interpretation of putatively inaccurate empirical data. While business actors ascribe meaning to their behaviour/experience, they may not be fully aware of the patterns/structures/logics that shape it (Bhaskar, 1998). Recurring actions at the level of the Actual can only reinforce prevailing patterns – i.e. generative mechanisms – or challenge them (Archer, 2000).

The final level of reality in critical realism consists of actions as they are understood by the actors themselves (Wry, 2009). This is referred to as the domain of the Empirical. The Empirical is nested in the Actual and includes all observations/experiences of the Actual by human agents (Bhaskar, 1978). In this study, the transcripts of the interview data correspond to the Empirical. In line with Mingers (2004a), coding schemes – stemming from theory –

predict the fit between interviewees' responses and interpreted patterns. They may either conform to the theoretical model and reinforce the patterns of 'compatibility' and 'syncretistic dynamics'; or diverge from the theoretical model and enable challenge/change/development of theory to constitute a form of extended theory.

To recapitulate, critical realism claims that both the generative mechanisms, as well as our ideas about them, are real. It provides a genuine realist position such that not only observable data are seen as having real existence but also our ideas and theories about the world. The interpretations in the Actual stem from the combined filtering through the researcher's conceptualisation of facts in the Real and actors' (or interviewees') understanding of patterns/experiences in the Empirical. Therefore, the present study is not expected to be highly affected by the issue of relating data to theory even in the case of highly abstract theories since both have the same ontological status of existence (Bhaskar, 1978).

Evaluation of the research strategy: Reflections on research validity

The level of confidence that one could have in predictions about actual events/patterns is often evaluated through the concepts of construct, internal and external validity. In critical realism, construct validity concerns the relationship between the Empirical and the Actual (Mingers, 2004a) – which can be contracted to the positivist standpoint where it is evaluated in terms of the relationship between empirical measures and theoretical constructs (Alvesson & Sköldbberg, 2000). This issue questions whether data gives valid knowledge about the actual manifestation of the purported generative mechanism. Arguably, critical realism does not problematise the real existence of the Actual – as opposed to the positivist perspective – since it promotes the existence of events which cannot be observed but only inferred from empirical data. The challenge of construct validity, from a critical realist perspective, is to mitigate the distorting effects of interests, myopia and error (Mingers, 2004b).

Construct (or empirical) validity, according to Eisenhardt (1989b), arises from the intimate linkage with empirical evidence. The linkage can be deemed reasonable if researchers stay at the level of what is inquired (Robson, 1993). Attempts to go beyond this can lead to an ontologically inconsistent theoretical construct (Robson, 1993); the contribution of which stands, to some extent, outside the subject of inquiry. A homogenous/coherent use of theory and concepts is hence commended for conveying empirical results and inferring actual events.

The integration of emergent ideas or concepts from the domain of the Empirical, which are not present in prior theoretical discussions, requires careful examination regarding their contributions to the domain of the Actual.

The challenge of producing a theoretically coherent construct also permeates through the issue of internal validity – i.e. the logical consistency of connecting predictions with research results (Yin, 2003). In critical realism, internal validity consists of the relationship between the Real and the Actual (Mingers, 2004a). The main question is whether the predicted patterns of actual events follow logically from the generative mechanism that the theory describes (Mingers, 2004a). From the perspective of critical realism, internal validity is contained in the very idea of generative mechanism (Mingers, 2004a). The coherence of the extended theory (or actual events) depends on whether it connects to (or distorts) the workings of the generative mechanism. With a view to showing coherence and enhancing internal validity, the analysis Chapters are designed to include a ‘results’ section that ties the emergent theory to the existing literature (Eisenhardt, 1989b). A well-developed theoretical frame of reference, according to Alvesson and Sköldbberg (2000), can help researchers to make good interpretations. It facilitates the process of harmonising the Actual (the drawing of inferences of what is happening) with the Real (the workings of the generative mechanisms). The deduction based analytical procedure (Saunders et al., 2009), discussed in a later section, is deemed particularly suitable for enhancing both construct validity and internal validity. More details about this procedure and the coding scheme are provided in section 5.4.

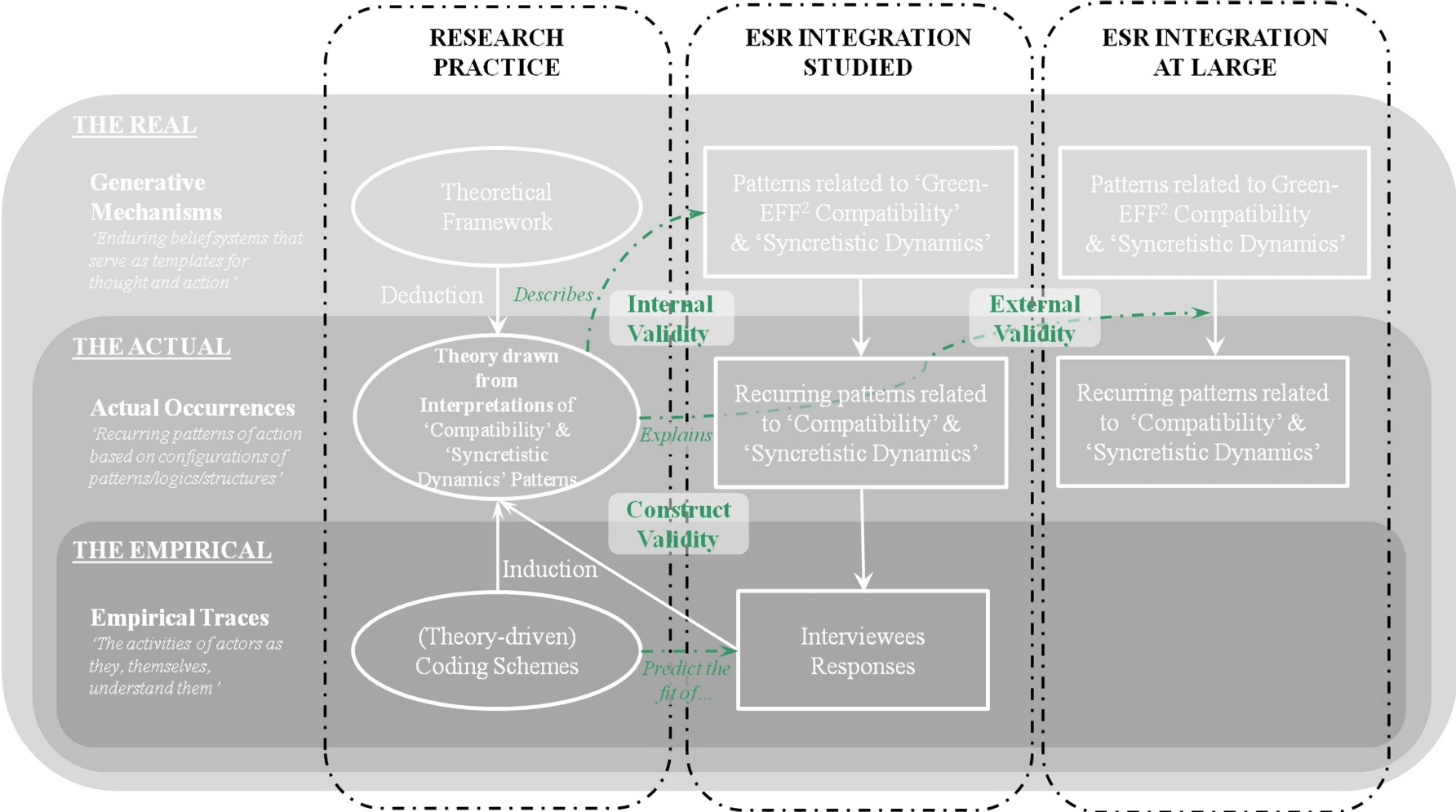
Finally, the concept of external validity – or generalisability (Eisenhardt, 1989b) – refers to the question of whether results obtained for one specific situation or context will also be true for other situations or contexts (Yin, 2003). From the perspective of critical realism, it concerns a two-step relationship Actual/Real/Actual (Mingers, 2004a). External validity requires a critical assessment of generalisability; that is, the extent to which the generative mechanism that is shown to explain events in one specific context is also the generative mechanism explaining events in a different context. The underlying assumption is that explanations are necessarily partial and limited to the phenomena of interest to the researcher. Robson (1993) identifies four principal threats to external validity: selection, setting, history and construct effects. These threats are principally related to the appropriateness of data sources to provide generalisable results – i.e. group studied, context of study, historical experiences and constructs studied.

In this thesis, the selected data sources (or units of analysis) are business consultants (with specific expertise in strategic management and sustainability issues) and managers in a UK Brewery. While the interpreted patterns stemming from the responses of business consultants arguably provide generalisable results, external validity is a particular concern for researchers conducting case study research (Saunders et al., 2009; Sayer, 2000). The case study of a UK brewery is not claimed to produce a theory that is generalisable to all organisations. While the explanation may work for one situation, it may not work for other situations because a number of unaccounted patterns may be absent or weak in the former but recurring or strong in the latter. It is thus important to account for situations whereby the UK brewery may be markedly different in some ways (Saunders et al., 2009). For example, companies in different industry settings (especially those exposed to low environmental hazard) may not need to invest substantially in green technologies; yet they may still represent cases of high environmental performance. The case study provides explanations about ESR integration challenges in a particular research setting. One proposition in terms of further research opportunities is to test the results in other settings via a follow-up study. More details are provided in the next section on the rationale for selecting units of analysis.

By way of a summary, the illustration in Figure 8 draws upon the model proposed by Mingers (2004a) to juxtapose the domains of the Real, the Actual and the Empirical and inter-relate the entities that comprise them so as to provide the foundations for understanding the application of critical realism to the present study.

Figure 8. Critical realism applied to the study of ESR integration: research strategy and validity issues

Source: author's own construction.



5.2. Data sources

The discussion now turns to the process of selecting data sources. It addresses the matter of how the choice of cases to study can accommodate the issues of research validity. The task is to think through the sampling options that are available for consolidating the inter-relations between the entities that compose the Real, the Actual and the Empirical.

Consistent with the research strategy discussed in the previous section and illustrated in Figure 8 the choice of sample should be informed by theory (Silverman, 2011). Mason (2002) sets out the nature of the link between sampling and theory. She explains that theoretical sampling amounts to selecting units of analysis (groups or individuals) to study on the basis of their relevance to research questions, theoretical position and, most importantly, the explanation or account that is being developed (Mason, 2002).

The theoretical propositions place a strong emphasis on the role of business agents (or individual agents of management) in, e.g., interpreting the concept of EFF² and dealing with syncretistic pressures. A logical/ideal sampling match may thus focus the selection on a satisfactory number of business managers in different industry sectors such that external validity may be enhanced. Managers are mavens of their organisation's strategic challenges and are actively involved in decision-making processes. Their views on ESR integration challenges would hence provide valuable insights into the workings of generative mechanisms. Yet, as Buchanan, Boddy, and McCalamn (1988) explain, fieldwork is permeated with the conflict between what is theoretically desirable on the one hand and what is practically possible on the other. Any empirical investigation of management practices is likely to face a choice between ideal and practically accessible data sources. For this thesis, the original planning was to adopt a multi case-study approach. However, the withdrawal of one candidate case study company because of structural changes that occurred, and a failure to secure hoped-for funding for international field work, meant that an alternative approach had to be adopted for practical reasons.

As mentioned above, one case study of a UK Brewery was secured and, to complement it, the alternative approach was to interview business consultants. One advantage of business consultants is that they might be comparatively less biased respondents. They would also provide perspectives across multiple organisations. Sections 5.2.1 and 5.2.2 elaborate on the

sampling processes and explain why responses from business consultants and managers in a UK Brewery are predicted to generate a coherent development of theory.

5.2.1. Business consultants

The objective of this section is to delineate the rationale behind the selection of informants related to the category 'business consultants'. The discussion draws on the three features of theoretical sampling identified by Silverman (2011): (i) choosing theoretically meaningful cases; (ii) choosing 'deviant' cases; and (iii) changing the size of sample during the research.

The predisposition of business consultants to provide both theoretically meaningful and deviant cases is evaluated in terms of two compatibility conditions: status and domain of expertise.

A number of management scholars view business consultants as core agents in the dissemination of business knowledge through their relative expertise and/or rhetorical/knowledge on management practices and strategies (Alvesson, 2004; Bogenreider & Nooteboom, 2004; Clark, 1995; Fincham, 2002; Heusinkveld & Benders, 2005; Kieser, 2002; Sturdy, 1997; Werr & Stjenberg, 2003). In a review of existing literature both about consultants and about the role of external actors in managerial activities, Canto and Giangreco (2011) identify four main roles that consultants appear to play for innovation: information sources, standard setters, knowledge brokers and knowledge integrators. McKenna (2006) conducted a historical study of consultants; he therein defines them as pre-eminent knowledge brokers on the basis of their status as expert outsiders. Although a number of characteristics can be advanced to counter this claim – e.g. cognitive distance, exaggerated/confused impact (Kieser, 2002; Sturdy, 2011; Sturdy, Handley, Clark, & Fincham, 2009) – the sampling process is conducted independent to the impact of consultants on management practice. Instead, theoretical meaningfulness relies on consultants having the status of expert outsiders (McKenna, 2006; Sturdy, 2011). Because they operate as expert outsiders, they might be less prone to distorted perceptions/claims than a firm's insiders who may be bound to loyalty and discretion regarding sensitive issues. Consultants are also likely to have experience of multiple companies. Their perceptions of ESR are expected to be based on a higher number of companies than if practicing managers, who may have worked with as few as one company on this issue, were interviewed.

The syncretistic rationale and underpinning concept of 'lateral syncretism' embrace the idea of Menon and Pfeffer (2003); and Hollender (2004) that a firm may not have the experience and expertise needed to develop ESR plans. The need for consultants as expert outsiders in the area of corporate environmental responsibility is thus endorsed by theory. Their experience of working in many different projects related to business strategy/performance and/or ESR issues is predicted to generate a general and exegetic understanding that overcomes industry bias and aligns with theoretical considerations. General/exegetic perspectives are particularly meaningful considering the exploratory scope of this thesis permeated through the novelty of theoretical propositions. Building on their putative status of expert outsiders, consultants are expected to discuss a number of real-life situations to substantiate their arguments. A reliable indicator of the status of expert outsiders is assumed to be the experience of prospective informants as consultants. Experience is hence a key selection parameter; it is capped in the present thesis at a minimum of three years of consultancy. The final sample achieves an experience average of about twelve years – ranging from three to twenty-six.

The domain of expertise is yet another compatibility condition to be discussed. It is related to the second feature of theoretical sampling identified by Silverman (2011): choosing deviant cases. Mason (2002) warns against the tendency of researchers to select respondents who are likely to support his/her arguments. To prevent such bias, the author emphasises the need to seek out negative instances as they are defined by theory (Mason, 2002).

In this thesis, the theoretical arguments essentially promote the business case for ESR integration. The rhetoric of reinforcing the compatibility between green and EFF² and achieving syncretism are based on the assumption that companies are to optimise the integration of societal issues into business strategies and operations. Consultants specialising in sustainability issues, whose putative job is to develop a firm's societal agenda, are more likely to encounter business managers who approve the idea of ESR integration. Their responses may therefore endorse the theoretical arguments.

In defining the construct of the green-EFF² compatibility framework and syncretism, the discussion draws attention to divergent lines of thoughts that refute the idea of ESR integration. They tend to stem from the idea of free markets raised by Friedman (1970). Consultants specialising in operational and/or strategic performance challenges (e.g. lean thinking, marketing) may constitute a deviant case. They are presumed to be more likely to

meet business leaders whose primary concerns are about economic progress. Responses may thus align with Friedman's (1970) view and challenge the idea of ESR integration.

In an effort to achieve theoretical meaningfulness and account for deviant cases in the present study, both domains of expertise – i.e. sustainability and operational/strategic performance – are deemed relevant.

The final sample of business consultants was thus weighted to the selection parameters set out above. Status and domain of expertise are key criteria for selection and strongly informed the first round of sampling. The idea of changing the size of the sample during the research – the third feature of theoretical sampling captured by Silverman (2011) – is discussed in section 5.4.2 to be instructed by the explanation-building method (Yin, 2003). Consistent with this method, two rounds of data collection was completed: one around March 2011, the other around May 2011. The final sample of twenty-five business consultants is described in Table 5. Each interview was recorded and transcribed. Their lengths varied from forty minutes to a hundred minutes.

Table 5. Sample description

Pseudonym and location	Experience (in years)	Domain of expertise	Interview date	Interview setting
INF ₁ – Cardiff, UK	8	Innovation in business/management with economic development background	17.2.2011	Face-to-face
INF ₂ – Manchester, UK	16	Business innovation and strategic environmental objectives	07.3.2011	Skype
INF ₃ – Cardiff, UK	17	Business innovation and planning	07.3.2011	Face-to-face
INF ₄ – London, UK	7	Lean thinking, business supply chains and operations	07.3.2011	Skype
INF ₅ – London, UK	15	CSR/Sustainability	10.3.2011	Skype
INF ₆ – London, UK	12	CSR, corporate strategy and finance	10.3.2011	Skype
INF ₇ – London, UK	25	Strategy and sustainability	13.3.2011	Skype
INF ₈ – London, UK	13	Corporate governance, non-financial areas for corporations, national and local government	15.3.2011	Skype
INF ₉ – Bristol, UK	20	Marketing and strategy	17.3.2011	Skype
INF ₁₀ – London, UK	18	Learning strategy and design, performance management, HR strategy	19.3.2011	Skype
INF ₁₁ – London, UK	7	Environmental management, supply and waste chains	20.3.2011	Skype
INF ₁₂ – Birmingham, UK	5	Business operations management, lean techniques	20.3.2011	Skype
Second round of data collection				
INF ₁₃ – London, UK	11	Corporate sustainability, stakeholder engagement	29.4.2011	Skype
INF ₁₄ – Cardiff, UK	10	Waste management in SMEs	03.5.2011	Face-to-face
INF ₁₅ – Strasbourg, France	4	Stakeholder relations, sustainable development	09.5.2011	Skype
INF ₁₆ – Paris, France	20	Management, CSR, Responsible communication	13.5.2011	Face-to-face
INF ₁₇ – Thann, France	4	Corporate sustainability	20.5.2011	Face-to-face
INF ₁₈ – Strasbourg, France	3	CSR	24.5.2011	Face-to-face
INF ₁₉ – Strasbourg, France	3	Eco-design	24.5.2011	Face-to-face
INF ₂₀ – Mulhouse, France	4	Sustainable development	26.5.2011	Face-to-face
INF ₂₁ – Strasbourg, France	15	Marketing, product design, brand management	31.5.2011	Face-to-face
INF ₂₂ – Paris, France	26	Sustainable development, CSR	01.6.2011	Face-to-face
INF ₂₃ – London, UK	12	Risk management, economic viability	03.6.2011	Skype
INF ₂₄ – London, UK	9	Strategic business and organisational planning	04.6.2011	Skype
INF ₂₅ – London, UK	15	People and team management skills in business	04.6.2011	Skype

Now that sampling principles are outlined, the following account offers to take the reader through some of the basic practicalities of undertaking this first phase of fieldwork – e.g. sample recruitment, establishing contact, interview setting.

The sample was recruited using networking opportunities and internet searches. The idea behind networking opportunities was to build on existing contacts to develop new relationships (Saunders et al., 2009) in a snowballing approach to sampling (van der Velde, Jansen, & Anderson, 2004). The technique consists of drawing a stratified sample by asking a limited number of people – existing contacts – about other people they know with specific attributes that are salient to the research – i.e. status and domain of expertise. Initial contacts were established via e-mails and phone calls. Each interview participant was then asked whether they know other people appropriate to interview (van der Velde et al., 2004). Attendance and participation at academic/practitioners conferences, workshop and seminars facilitated this process.

Internet searches of business consultancy organisations specialising in strategic management and ESR issues were also conducted. Examples of keywords typed into internet browsers were: business consultancy, sustainability consultants, management consultants, marketing consultants and lean consultants. In an effort to enhance theoretical meaningfulness, consultants' profile web pages were consulted; they contained useful information on status and domain of expertise. As shown in Table 5, the geographic distribution of the group is limited to the UK and France due to access and resource constraints. For similar reasons, some interviews were conducted via Skype – a cost-effective tool for remote interviews frequently used by interviewees in their consulting activities. The main limitation of Skype interviews is that they do not allow for clear observation of social cues such as voice, intonation, body language etc. It is preferable to sit face-to-face with participants if social cues are critical to the study (Opdenakker, 2006). In this thesis, the observation of social cues is not used as an element of analysis. Moreover, conducting exclusively face-to-face interviews over an extended period of time and, in doing so, adapting to the varied availability of interviewees were deemed too time and cost prohibitive. Some interviews could not have been done without access to Skype.

5.2.2. Managers in a UK Brewery

The case study of a UK Brewery, the second phase of the fieldwork, provides a complementary, yet different, angle to develop the theoretical argument. Prior to discussing the chosen approach to the case study and validity issues, an important consideration in using a case study is to define the actual case (Yin, 2003).

BRECO (a pseudonym) is a well-established company whose primary activities are the production and sale of beers. The activities extend to the sale of kitchenware equipment and wine that it imports from Europe and the New World. BRECO runs bars, restaurants and hotels in the UK. The company generates a turnover of about £50 million; that is £28 million in brewing and brands, and the remaining £22 million in retail. Over the last decade, BRECO has shifted its strategy from a short-term business vision, with immediate economic performance as the primary concern, to a long-term business orientation that considers the wider societal impact as a primary challenge. The strong environmental ethos of the company generated a number of investments in eco-friendly technologies (e.g. brewing processes) and buildings (e.g. distribution depot). BRECO won awards, and received considerable media coverage, on several occasions for its 'green' responsiveness; and it is a leader within its industry in the field of corporate environmental responsibility. The company reflects what Wehrmeyer et al. (2009) refer to as the changing UK business cultures in light of the climate change challenge. As such, the case meets the criteria for an extreme or "polar type" (in the sense of high performing) case; one in which the process of theoretical interest is transparently observable and stands out from other cases (Eisenhardt, 1989b, p. 537; Eisenhardt & Graebner, 2007, p. 27).

The shift of strategy occurred in the late 1990s and early 2000s along with structural changes. With the support of the family who owns the company, BRECO engaged a process of transformation to a bottom-up managerial model. The former hierarchical (top-down) model was deemed obsolete as BRECO's environmental agenda started to take shape. The current status of BRECO as highly responsive to green issues positions the company as an appropriate case for inquiring into the compatibility between green and EFF² and syncretistic challenges.

The theoretical perspective adopted emphasises the influence of business leaders in driving organisational change and ESR integration. Theory suggests that ESR could not be put into effect without an adapted leadership style and buy-in from employees. Individuals who lead BRECO's functions and divisions are thus conceived of as salient data sources. As opposed to employees, leaders have knowledge, authority and legitimacy to act upon/make strategic decisions about ESR. The sampling strategy hence focuses selection on individuals with varied leadership positions at BRECO. Eisenhardt and Graebner (2007, p. 28) commend the use of "numerous and highly knowledgeable informants who view the focal phenomenon from diverse perspectives" to mitigate bias in interview data. The final sample is composed of six respondents: CEO, Operations/HR Director, Head of Marketing, Head Brewer, Sales Director and Retail Director.

The data set for the case study ultimately consists of twelve recorded and transcribed interviews; the length of which varies between thirty minutes and ninety minutes. Three conditions were satisfied to secure access to BRECO. First, the degree of familiarity with and prior understanding of the organisation (Saunders et al., 2009) – developed through previous work with the company – was critical to facilitate initial contact. Second, a convincing argument had to be presented to the CEO. The argument brought forward the novelty of theoretical propositions and highlighted possible benefits to the company. It was aligned as to why they should grant access to their organisation (Saunders et al., 2009). Finally, a clear account of purpose and type of access was provided (Saunders et al., 2009) which facilitated the implementation of this research project.

Reflections on validity issues

Easton (2010) remarks that knowledge claims drawn from case study research are often criticised on the grounds of lack of generalisability. Yin (2003) suggests that case studies, like experiments, are generalisable to theoretical propositions, not to populations or universes. The goal is to expand and generalize theories (analytical generalization), not to enumerate frequencies (statistical generalization) (Yin, 2003). The fact that BRECO is considered as an original case (polar type) is an important criterion for selection. Because the objective is to explore a particular phenomenon within a company (ESR integration) and to understand why and how it happens; a case that exhibits a more than usual amount of that phenomenon is ideal (Sigglekow, 2007). What is critical is the typical experience of individual agents of

management in driving ESR change and how this experience helps to explain the workings of the generative mechanisms. Individual experiences are to be typical of the broad class of phenomena to which the theory refers (Bryman & Bell, 2007).

Explanations are ultimately informed retroductively. They are determined by the fit between theoretical choices and interviewees' responses. An intensive approach (Sayer, 2000) to case study arguably accommodates the process of retroduction in two ways. Firstly, the focus of intensive case studies is on individual agents in context using interviews and qualitative analysis (Easton, 2010). The theoretical account developed in previous Chapters emphasises the central role of human factors. Empirical focus on individual agents is hence commendable. Secondly, another precept of intensive case studies, according to Easton (2010), is to ask the question: what produces change? Grounded in a real-life situation (Yin, 2003), the case of BRECO aims to provide insights into what causes the discernible events captured by theory to happen (Easton, 2010). As mentioned above, the case of BRECO is predicted to produce causal explanations limited to the situation/phenomena being studied. External validity testing thus occurs by corroboration (Easton, 2010). Subsequent research is suggested to focus on the validity of propositions generated in other milieu (e.g. other industry settings) (Bryman & Bell, 2007). One may find, by corroboration, that the results obtained from the present case study can inspire either the operational or the informational processes of another company. The case of BRECO arguably provides an instructive account of how the theoretical propositions apply to practice.

In order to achieve a robust explanation, two rounds of interviews were completed. The same individuals were interviewed on two occasions – April 2011 and November 2011 – which brought the study to epistemological closure (Easton, 2010). The objective of the second round of data collection was to bridge the epistemological gaps captured after analysis of the first interview transcripts. Triangulation methods – field observations, informal talks, company reports, and internet resources – were used to strengthen the validity of explanations further. More details on data collection/analysis methods and the idea of epistemological closure are provided in sections 5.3 and 5.4.

5.3. Data collection methods

This section specifies the research design by discussing data collection methods. It is hoped that, by disclosing interview strategies and constraints, the following account can help readers understand both the type of empirical evidence that was produced and how this evidence was generated. Particular emphasis is given to the role of interviewer and the issue of data validity. Attention is also given to ethical issues.

5.3.1. Interviews

Interviews with both business consultants and BRECO managers address the same objective: enabling respondents to talk extensively about their experiences. An effective way of achieving this objective, according to Easterby-Smith, Thorpe, and Jackson (2008), is to conduct In-Depth Interviews (IDI). This section explains the application of IDI to the present study and draws attention to the considerations that have instructed the preparation of interviews.

IDI can be defined as the interaction between an individual interviewer and a single participant (Easterby-Smith et al., 2008). Kvale (1996, p. 127) explains that “the interview is a stage upon which knowledge is constructed through the interaction of interviewer and interviewee roles”. The IDI technique encourages informants to talk extensively and share sufficient (or beyond) quantities of information from which theoretically meaningful inferences (in this case of compatibility and syncretistic patterns) can be made. IDI permits us to gain insights into the knowledge and experience of those considered to be experts (Easterby-Smith et al., 2008). Consultants were encouraged to provide an account of their experiences with companies and the challenges faced by these companies in relation to ESR integration. BRECO managers were asked to talk about their roles in facilitating the company’s green transformation and the constraints that transformation faced. Responses were expected to provide a multi-dimensional account that reflects the multiplicity and complexity of informants’ views (Easterby-Smith et al., 2008).

Obtaining rich data sources that capture the multi-dimensional perspectives of interviewees requires consideration to be given to the wording of interview questions. Given the

interactional nature of interviews¹⁸, the talk of the interviewer is central to the trajectories of the interviewees' responses (Rapley, 2004; Silverman, 2011). Two transcripts of interviews with a business consultant (INF₁₃) and the Brewery's CEO are provided in Appendix 3 and Appendix 4. The following three considerations instructed the preparation of interviews.

Firstly, it was important that questions did not suggest certain kinds of responses to interviewees (Bryman & Bell, 2007). Questions were generally short, simple, related to the themes and issues raised by theory, and were phrased as open-ended enquiries. Open-ended question formats invest respondents with the opportunity to answer on their own terms (Bryman & Bell, 2007). Knowledge and understanding of interviewees about the subject of inquiry could thus be tapped with less possibility that they could tailor responses to the researcher's theoretical positioning. A particular research objective was to evaluate the importance of green to businesses. During both phases of data collection, the first set of questions did not explicitly refer to green. It was hoped that, by asking questions about, e.g., the reason for being of business and performance challenges, interviewees would bring ESR concerns on board. This approach to interview was conclusive as patterns of compatibility between green and EFF² effectively emerged.

Secondly, the preparation of interviews embraced considerations of differences between interviewees. The interview design – as the substance (topics to be addressed) and style of interviews – was tailored to the role occupied by the interviewee within the context of the research in order to effectively capture the diversity of views (Bryman & Bell, 2007). The substance of the interviews generally consisted of three topics: (i) role of the interviewee, (ii) business performance challenges, and (iii) business approach to green issues. These topics were brought to the discussion in sequential order. Although a similar procedure was followed during the two phases of fieldwork, framing research questions posed to BRECO managers required prior knowledge of the company and its approach to/actions towards environmental issues. The reason for that was to ascertain that all theoretically meaningful events were discussed with interviewees. In doing so, explanations about the construct of ESR integration at BRECO could be inferred with relative accuracy.

¹⁸ For a discussion of which see Kvale (1996).

Finally, semi-structured interview guides were used to inform decisions about opening and closing various topics and the interaction as whole (Rapley, 2004). Two samples can be found in Appendix 5 and Appendix 5. Referring to an interview guide provided some level of control over the interview and helped in maintaining consistency with the substance of interviews. At the same time, it offered enough flexibility to allow the multi-dimensional perspectives of informants to be explored, clarified, and used to ground theory (Bryman & Bell, 2007). The interview guide included a list of questions on fairly specific topics to be approached while providing the interviewee with a great deal of leeway in how to reply (Bryman & Bell, 2007). Questions that were not included in the guide were still asked as the progression of the interview allowed for picking up on things said by interviewees (Bryman & Bell, 2007). Overall, referring to the interview guide was supportive to the production of theoretically meaningful data.

The discussion now turns to triangulation techniques. The rationale for using triangulation techniques is twofold. On the one hand, some of the data collected through interviews could be checked for veracity. Molina-Azorín and Cameron (2010) explain that better understanding can be obtained by triangulating one set of results (e.g. interview data) with another (e.g. primary research, field observations) and thereby enhancing the validity of inferences. Triangulation, it is proposed below, also allows for the maximisation of the amount of data collected.

5.3.2. Triangulation techniques

Gomm (2004, p. 185) proposes a distinction between “incorrigible” and “corrigible” information. Incorrigible information is built into the definition of an opinion; something that is first and foremost known by the person who holds it, and known by others only insofar as that person discloses it (Gomm, 2004). The respondent is thus regarded as the authoritative source of information. In this thesis, the information disclosed by business consultants is deemed incorrigible. The reason is that this information is a product of the putative uniqueness of the consultants’ expertise and the intimate knowledge they develop with clients. Ethical issues are discussed later in this section to specify the context of information disclosure. Corrigible information on the other hand can, in principle, be verified as matter of facts (Gomm, 2004). As a case in point, there are particular kinds of predisposing events/patterns related to BRECO activities that can be checked for veracity. Financial

information is recorded in company documents. Documentary secondary data, Saunders et al. (2009) explain, is often used in research projects to supplement primary data and triangulate findings. Moreover, claims of green credentials are observable on-site and verifiable through informal talks with BRECO's employees. Observations enabled the perception of what is concretely happening (Gill & Johnson, 2002) and get to the root of the phenomena being studied (Saunders et al., 2009). The approach was to observe operations and processes without taking part in the activities. On-site visits and stays at the company's hotels facilitated interaction with BRECO employees. Relevant information was gathered using field notes. The visits were four days long. The open, bottom-up business model is evidenced by a number of field observations – e.g. design of office space, interactions among employees. Environmental credentials are brought to light by the eco-friendly buildings and facilities that were visited. The only active commitments were to focus on the role of researcher, jot down insights as they occur, and concentrate on discussions with actors (Saunders et al., 2009). Observer's comments are encapsulated in brackets – labelled O.C. (e.g., [O.C.]). By and large, the data obtained from these triangulation techniques of passive observations and informal talks corroborated managers' claims.

Triangulation between data sources (interview transcripts, company documents, internet search, observations, informal talks) not only enables a reduction in the probability of respondents' bias (Mason, 2002), hence overcoming dubious (construct) validity and reliability issues, but also permits to extend the amount of data collected (Todd, 1979). For instance, quantitative data on BRECO's environmental impact include the findings about a carbon footprint assessment that was shared by the CEO. Some findings about shareholders were initially captured on the internet; they were then discussed with interviewees. Triangulation, in summary, enabled further elaboration, illustration, enhancement and clarification (Greene, Caracelli, & Graham, 1989; Molina-Azorín & Cameron, 2010) of construct validity and specification of the patterns of green-EFF² compatibility and syncretism. The purpose of triangulation is essentially to provide complementarities, seek elaboration, illustration, enhancement and clarification of the results from one method with the findings from the other method.

5.3.3. Ethical issues

The undertaking of this study required considerations of ethical issues. A firm's approach to environmental issues is a sensitive topic (Abe, Dempsey, & Bassett, 2012) that may generate serious reputational and commercial repercussions against both consultants and business managers. The assumptions are that (i) consultants cannot risk overtly disclosing controversial information about their business clients and (ii) BRECO managers may be similarly constrained to withhold sensitive information. It is critical to address the issues of informed consent, confidentiality (Kvale, 1996) and be sensitive to the expectation to minimise risks of harm to study participants (Israel & Hersh, 2006). Essentially, it must be ensured that participation of interviewees is given freely and with full understanding of the "aims and process of the research project, what the research will be used for, such as policy information and publications, and who will have access to the information gathered" (Scheyvens, Nowak, & Scheyvens, 2003, p. 142). A description of methodological choices, participant sample and arrangements made to address ethical issues was brought to the attention of the Research Ethics Committee of Cardiff Business School. A copy of the approved application is provided in Appendix 7.

Most business consultants consented to be interviewed under the condition of confidentiality. Their names and organisational affiliations are not disclosed in the thesis. The pseudonym INF (informant) is used alternatively. The differentiator is the subscript number attached to INF; it represents the order in which the interviews took place. Concerning the UK Brewery, it was agreed with the CEO that the name of the company and interview participants would not be disclosed.

Ethical issues may arise from the fact that organisational gatekeepers are in a very powerful position in relation to researchers who request organisational access (Saunders et al., 2009). They may even be in a powerful position in terms of the nature and extent of the access that they allow and in setting expectations regarding output from which they may benefit (Bryman & Bell, 2007). Attention should be given to the way in which the granting of access affects this type of relationship (Saunders et al., 2009). In the present study, the organisational gatekeeper (i.e. BRECO's CEO) did not exert any coercion. The research design, data collection and data analysis were controlled by the researcher, informed by theory and entirely approved by the CEO.

Another issue may be the position of power exerted by the researcher in face-to-face interviews, even with managers (Saunders et al., 2009). In these situations, the researcher has the opportunity to formulate questions, including probing ones, which may cause discomfort or even stress (Saunders et al., 2009). He/she needs to consider the fact that his/her presence is temporary whereas the people from whom he/she collects data will need to work together after he/she departs (Saunders et al., 2009). In the present study, both consultants and BRECO managers were inclined to discuss a wide range of issues, including potentially sensitive ones (e.g. dismissal of BRECO's shareholder), without it visibly causing discomfort or stress. Not intimidated by the sensitive nature of the topic, they were relatively confident about their knowledge of ESR challenges and the environmental performance of BRECO. The claims made by interviewees – particularly BRECO managers – could be verified for veracity via the process of triangulation discussed above. This provided a strong level of confidence that interviewees did not attempt to distort the truth. It may be assumed with relative confidence that the power relations theoretically in play during face-to-face interviews did not substantially affect the processes of analysing the data and reporting research findings, mainly thanks to confidentiality agreements.

5.4. Data analysis methods

Qualitative data analysis, according to Walker and Myrick (2007), seeks to organise and reduce the data gathered into themes or essences which, in turn, can be fed into descriptions, models, or theories. The critical realist approach prescribes a retroductive emergence of themes. In other words, as sketched in Figure 8 (p. 109), themes for analysis stem from the generative mechanisms and ideas developed about it (domain of the Real, deductive process) and from the understanding of interviewees (domain of the Empirical, inductive process). The objective of the analysis process is to generate results that align with, and refine, the theoretical account being developed.

Principles of content analysis, analytic induction and explanation building are discussed in sections 5.4.1 and 5.4.2 to inform the data analysis process adopted in this thesis.

5.4.1. Content analysis coupled with analytic induction

This study adopts an interpretative approach to content analysis. Berg (2009) defines this approach as a passport to listening to the words of the text and understanding better the perspective(s) of the producer of these words. Typical data sources are written documents or transcriptions of recorded verbal communications (Berg, 2009). In this research, the data set primarily consists of interview transcripts and is complemented by the researcher's notes (from observations and discussions), internet sources and company documents.

Following the instructions of Silverman (2011) for applying content analysis, the first step requires a set of categories to be established. Then, with the support of NVIVO (software for qualitative data analysis), the instances/patterns that fall into each category were recorded (Silverman, 2011). Yin (2003) asserts that theoretical propositions or generative mechanisms can be used to devise a framework to assist the organisation and directions of the data analysis. Core categories (or themes) for analysis drawn from theory include: trade-off, ambidexterity, synergy, symbiosis, syncretism from above, syncretism from below and lateral syncretism. The inclusion or exclusion of content is decided using criteria that are consistent with the definitions of these themes in Chapters 3 and 4. To facilitate the process of inclusion, specific parameters for the selection of contents were defined for each theme/category. The definitions of inclusion parameters can be found in Appendix 8 and Appendix 9.

Consistent with the idea of retroduction, content analysis is coupled with principles of analytic induction. In contrast to the grounded theory proposed by Glaser and Strauss (1967), analytic induction explicitly accommodates existing theory while iteratively integrating empirical data intending to challenge the conceptual propositions and propose an extended theory (Bansal & Roth, 2000; Busch, 2011; Manning, 1982). This method allowed for the induction of sub-themes in the analysis to specify the generative mechanisms of ESR integration.

The procedure of line by line coding (Strauss, 1990) offers adequate guidelines to explain how the sub-themes emerged from the interview transcripts. The data was carefully read line by line to determine their fit with both the data and theory (Berg, 2009). The units of analysis (also referred to as transcript extracts or line-by-line codes) created by the procedure of line-by-line coding needed to match one of the coding categories. The constant comparison of

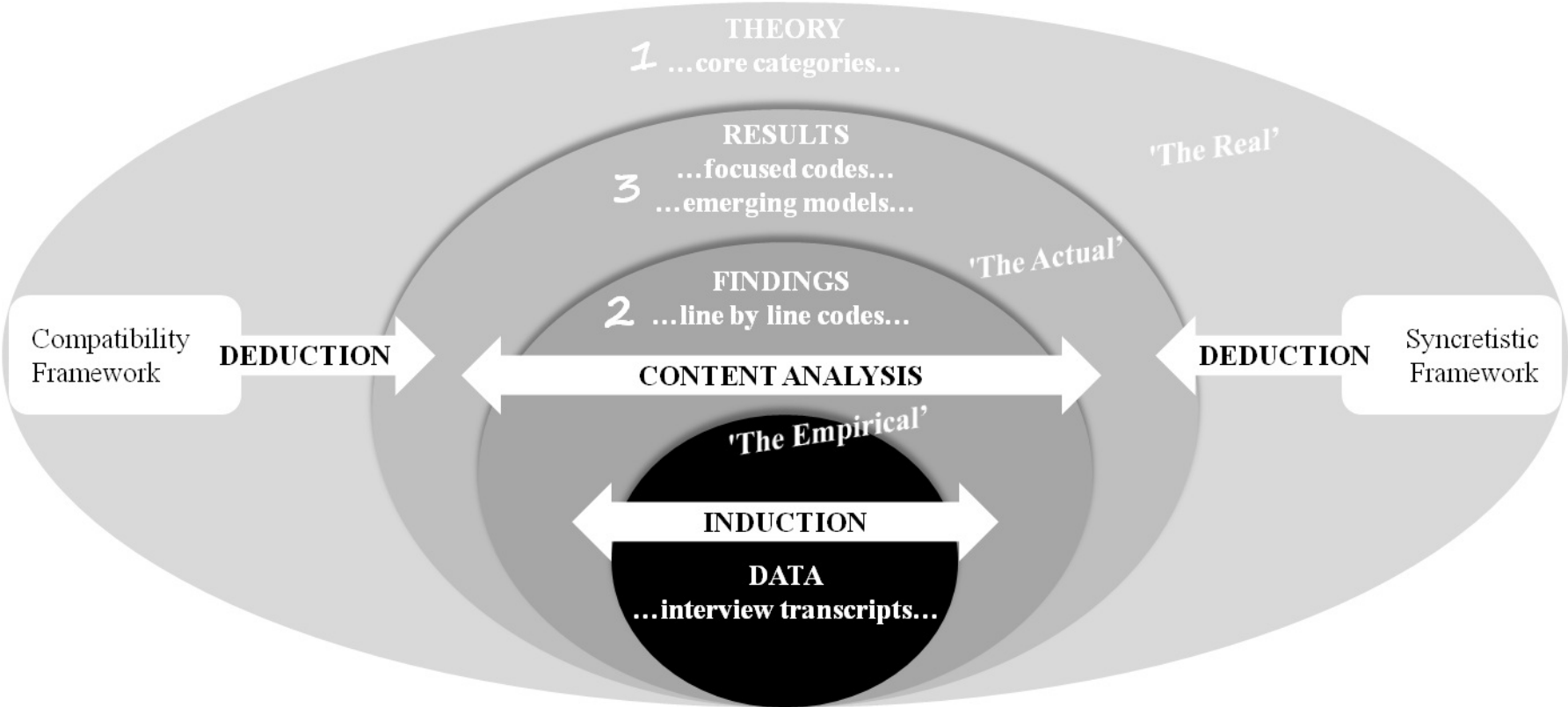
line-by-line codes generated focused codes; this helped to conceptualise how previous and emerging line-by-line codes relate to each other (Samuel, 2011). Once uncovered, focused codes were considered as tentative (Berg, 2009) and developmental. Their validation and integration into the emerging model depended on both the frequencies of the codes that explain them (counted via NVIVO) and their theoretical fit. While the process of working with and thinking about the data continued, questions and even plausible answers began to emerge. These questions generated other issues and further questions regarding various conditions, strategies, interactions and consequences emerging from the data (Berg, 2009). Once a theoretical model that gives rise to a precise account of how ideas generated through interviews are linked to each other started to take shape, the approach was then to look for negative cases – i.e. cases that don't fit the model. Negative cases could either disconfirm parts of the emerging model or suggest new connections that needed to be made (Ryan & Bernard, 2000). For example, the analysis of interviews with business consultants initially uncovered two patterns of syncretism: 'infiltration' and 'separation'. As the processes of thinking about the data and looking for negative cases continued, an increasing number of interview extracts disconfirmed the patterns of 'infiltration' and 'separation' while uncovering the emergence of a pattern of 'convergence'.

Embracing the principles of analytic induction in the process of analysis, as demonstrated above, arguably helps to deflate the critique of qualitative content analysis raised by Atkinson (1992). He contends that, because the method of content analysis is based upon a given set of categories, they furnish a "powerful conceptual grid" from which it is difficult to escape (Atkinson, 1992, p. 459). While, according to Atkinson (1992), this grid is very helpful in organising the data analysis, it also deflects attention away from uncategorised activities. Analytic induction addresses these concerns because it allows for both the revision of general themes derived from theory and the addition of themes (or focused codes) based on a close reading of interview transcripts. While the compatibility and syncretistic frameworks provide a 'strong conceptual grid', research results do not constitute tautological accounts of theory. The data is used to understand the workings of the generative mechanisms, develop theoretical propositions, and propose models by colliding existing and emerging themes. The theoretical constructs, however, do not depart in any excessive ways from the views of participants and renders the prior specification of theory possible (Bryman & Bell, 2007; Saunders et al., 2009). Both internal validity and construct validity are thus preserved.

Appendix 8 and Appendix 9 provide details about, and Figure 9 sketches, the three-step process used in this thesis to analyse the data: category definition, line-by-line coding (emergence of sub-themes) and focused coding. The appendices provide examples of coded interview data (units of analysis) and sub-themes (focused codes) stemming from responses of business consultants and BRECO managers. Eisenhardt and Graebner (2007) emphasise the necessity of providing a table that summarises the evidence for each theoretical construct with selected text descriptions. By documenting the process of data analysis in the way presented in Appendix 8 and Appendix 9, it is expected that different coders can arrive at the same results when the same body of material is examined (Silverman, 2011). By this means, content analysis deals with the reliability of explanations. It turns the analysis process to a replicable, structured and formalised task – as prescribed by the deductive approach (Saunders et al., 2009).

Figure 9. Sketching the three-step data analysis process

Source: author's own construction.



In an effort to further enhance research validity, section 5.4.2 specifies that the process of data analysis instructed the completion of two rounds of data collection – a precept grounded in explanation-building methods (Yin, 2003).

5.4.2. Explanation-building method

Yin (2003) proposes a sequence of activities along which researchers can venture to build robust explanations. Consistent with Figure 9, explanation-building methods firstly suggest making a theoretically based proposition. This proposition can then be developed/specified.

The second stage requires undertaking data collection through an initial round of interviews. This enables the comparison of the findings from this in relation to theoretically based propositions. Where necessary, the theoretically based proposition is specified or changed in the light of the findings from the initial phase of data collection. At this stage, it is possible to evaluate the fit of empirical data with the theoretical account which is being developed and the odds of finding negative cases (Ryan & Bernard, 2000).

For example, an initial round of interviews was conducted with business consultants in February/March 2011. After twelve interviews, the outcome was that some themes for analysis remained underdeveloped. In particular, the amount of data explaining ambidextrous patterns of green-EFF² compatibility was largely insufficient relatively to the amount of data explaining other patterns.

Concerning the case study of BRECO, the analysis of the first interview transcripts, triangulated with internet searches, enabled to identify a number of gaps in the case study. At this stage, interviewees had not provided satisfactory responses on a number of issues regarding, e.g., the influence of shareholders on the firm's ESR choices, the environmental impact of brewing and packaging processes, etc. These issues were either briefly discussed or omitted in the first round of interviews. More details were required in order to analyse their impact on ESR.

At this stage, therefore, interviewees' responses did not satisfactorily inform the development of a robust extended theory.

A second round of data collection was thus undertaken in order to compare the findings from this in relation to the revised propositions. As shown in Table 5 (p. 114), thirteen additional

business consultants were interviewed and a second visit to BRECO was arranged. At this stage of analysis, satisfactory explanations could be derived – the imbalance between patterns’ explanations and case study gaps were addressed – and data collection was ceased. Closure occurred when iterations between theories and data sets did not generate new themes or did not disconfirm the model any further (Ryan & Bernard, 2000).

The data analysis Chapters are organised into two related parts: findings (data) and results (interpretation of data). The findings are a report of data collected. Writing up the data is approached as an analytical process. Each interview extract is topped and tailed (Silverman, 2011): a sentence or two is written before every extract to context it in the argument; the extract is generally followed up with a more detailed analysis in terms of the point it is used to make. The second part of the analysis Chapters is devoted to research results. The discussion turns to an iterative process between data and theory.

The following Chapter draws upon the theoretical propositions and methodological choices developed hitherto in this thesis to report the views and experiences of business consultants.

6. The views and experiences of business consultants

This Chapter analyses the responses of business consultants, extends/specifies the theoretical propositions discussed in Chapters 3 and 4, and contributes to answer the research questions derived from these propositions. As discussed in section 5.2.1 (p. 111), the responses of business consultants provide various trajectories for analysis, reflecting their experiences of working in many different projects and companies. Their analysis leads to the development of generic compatibility and syncretistic models of ESR. This Chapter begins with the compatibility analysis.

6.1. Applying the four compatibility scenarios framework

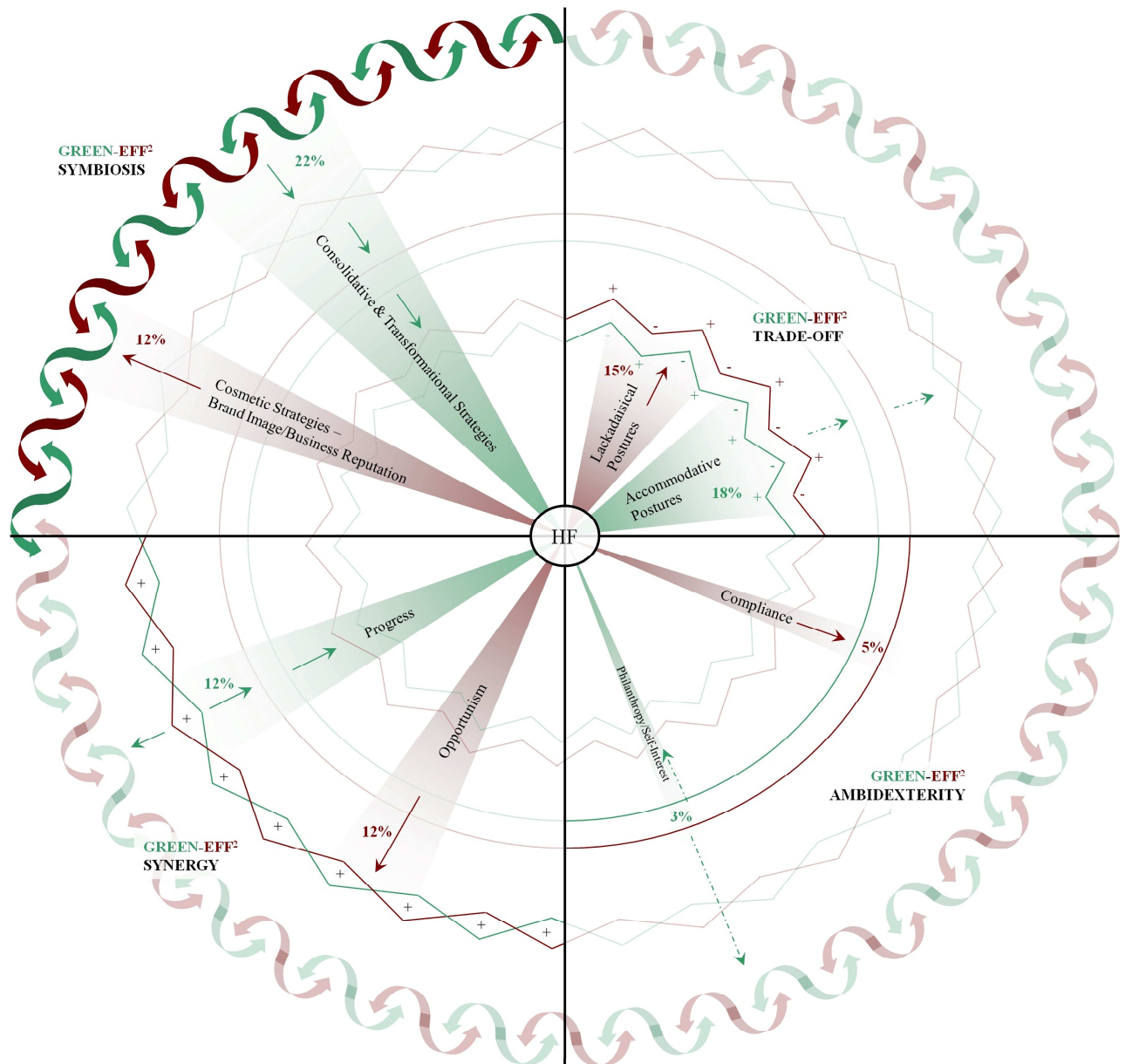
The findings related to the four scenarios of compatibility between green and EFF² (cf. Figure 3, p. 54) suggest the emergence of a Multi-Faceted Strategies (MFS) model. As sketched in Figure 10, the model is proposed to incorporate Human Factors (HF; Cho, 1994; Pfeffer, 2010) as a central component. Consistent with the theoretical propositions, the way business agents (managers and employees) interpret what is the right thing to do and what is the right way to do things (EFF²) determines the approach to green. Interviews with business consultants provide evidence to the idea that corporate approaches to trade-off, ambidextrous, synergistic, and symbiotic levels of green-EFF² compatibility iterate between minimalistic and maturation strategies. Each type of strategy is depicted in the form of a projection in the MFS framework. The term ‘projection’ is used by S. Kaplan and Orlikowski (2007) to define the process of strategy-making. The analysis suggests that each projection holds implications for the way businesses act towards the perception of trade-off, ambidexterity, synergy and symbiosis. The arrows in the MFS framework impart the directions towards which companies focus efforts either to reinforce the link between green and EFF² (see green arrows attached to maturation strategies projections) or to exploit immediate business benefits/ephemeral green-EFF² benefits (see red arrows attached to minimalistic strategies projections).

To inform construct validity, the model sketched in Figure 10 includes the percentage of coded interview extracts related to each strategy. The surface covered by each projection in the model (width and length) is calculated to reflect this percentage. The reader is thus provided with a visual representation of the proportion of occurrences of each pattern of business strategy captured in the responses of business consultants.

Figure 10. Maturation and minimalistic approaches to green-EFF²: a Multi-faceted Strategy (MFS) model

With HF: Human Factors; green projections: Multi-Level Responsiveness (MLR) construct, maturation projections; and red projections: minimalistic approaches

Source: author's own construction.



To explain how the MFS model emerged, the discussion is organised in two parts. Firstly, interview extracts are incorporated to present the research findings. Secondly, the discussion turns to a process of iteration between findings and theory to specify the definition of the minimalistic and maturation strategies displayed in Figure 10.

6.1.1. Findings

Business consultants converge on the idea that their (consultancy) work often consists of adapting to the firm's strategic agenda which may, or may not, include green as a primary concern. A recurring theme discussed by business consultants is that companies adopt a pragmatic approach. For example, INF₂ explains that *'when you face pragmatic and cost conscious businesses, you have to talk to them in cost terms'*. INF₆ comments: *'we need to make sure people have put environmental issues in tangible dimensions; it has to be priced'*. Businesses may therefore base their approach to the compatibility between green and EFF² according to the propensity of green to be quantified and commodified as an economic resource. Because interviewees were encouraged to discuss different scenarios of compatibility, various patterns of ESR integration strategies started to emerge which either confirm or challenge the pragmatic trend.

6.1.1.1. Business approaches to the perception of trade-offs

The findings point to a pattern of mismatch between green and EFF²; in particular, ESR responsiveness is not considered as a catalyst for business performance. INF₁₃ comments:

It's clear that you can be pretty conventional, pretty unsustainable and still have a very successful business. ExxonMobil, in the oil industry, is considered to be one of the laggards, one of the few companies that hasn't responded strongly to the climate change debate and yet one of the world biggest companies. So it wouldn't be true to say that there is an absolute clear relationship between ignoring environment and society and failing as a business.

This indicates that businesses may be economically successful while failing to respond to ESR concerns. INF₂ explains:

What happens is that unfortunately there is not enough supply of capital. For example, there may be an energy efficiency project that has payback for 18 months but if there is another capital project to increase production for which payback is 6 months, then that project will get the money.

Companies with a focus on objectives of economic growth can be seduced by the idea that ESR is not a business imperative and, as such, can be disregarded. This pattern permeates through important strategic or investment decisions. However, such a lackadaisical – i.e. non-committal, unambitious and disinterested – approach to ESR can generate negative impacts on the environment. INF₂₀ gives the example of privately run nuclear power stations who are ‘outsourcing cleaning activities at low cost. This gives a boost to finances but the company cannot control whether the facilities are properly looked after and we know how much damage radioactive leaks can cause. And these people who clean the site are paid too little to care; they don’t have any incentives to work rigorously’. While outsourcing strategies are advanced to make business sense because they offer cost opportunities, they tend to fragment and dilute responsibilities. The firm’s impact on the environment becomes indirect, and less controllable, when it emerges from outsourced operations. As a result, the company is distancing itself from societal risks rather than acting upon them. This ultimately weakens responsiveness capabilities and potentially reinforces trade-offs – in particular the subversive impact of EFF² on green.

INF₁₄ observes that systemic forces – e.g. industrial context, macro-economic forces – may obstruct commitment to ESR. He illustrates his argument:

I visited a food manufacturer who had 500 workers but they just didn’t have the space to manage things efficiently. This resulted in storage problems, combined with health and safety issues and failure to comply with regulations. For example, they would leave the mushrooms out of the freezer for two hours too long. They couldn’t use them anymore. This was happening quite often because there was no space [...] I think it’s quite typical for the food industry. It’s an industry that is sort of typified by take-overs, mergers and growth. So, I didn’t expect that company to be in that particular location for very much longer. They had to throw away a lot of stuff. It wasn’t necessarily dying but they needed to be either taken over or relocated. The company was good, they had a lot of work, they were making profits but they didn’t have space to be efficient.

This excerpt shows that rigidity of infrastructure conditions, together with industry context, may challenge both business and green performance.

INF₁₇ further reflects on the current economic context as an important barrier to ESR integration developments:

Environmental stakes are not perceived to be very important because they are perceived to be costly and, secondly, because we are into an economic crisis. If the 2008 crisis hadn't emerged, perhaps ESR would be more diffused. Lots of companies – at least those I meet, mostly SMEs – aim to survive. Sometimes, this does not leave room to long-term strategic vision. I think there is a bias toward short-termism [...] There are companies facing a lots of difficulties. It is certain that they look to address the most pressing issues which are related to economic viability.

Industrial and macro-economic contingencies can be advanced to explain lackadaisical behaviours towards ESR challenges. The question is: why would companies invest time and resources to integrate ESR while they face a challenging economic context? Businesses can be rooted in the conviction that responsiveness to environmental issues cannot be afforded and trade-offs are inevitable.

The following interview excerpts from INF₁₄ and INF₃ corroborate this argument:

You have to have the financial power to back these things [referring to ESR issues] up. You see that very clearly in small companies where time and money are of a different importance. They don't have the time nor the money to be proactive about the environment [...] A company is to be financially healthy to be able to afford a green attitude (INF₁₄).

They understand the issues. They understand the need to take action. However, when you then say to them: 'Ok so what action are you taking?' they say: 'well I take the action that I can afford to take because I can't afford to do this. I can't afford to do that'. It always comes back to that question (INF₃).

Responsiveness to societal issues can thus be inferred from a pattern of weak/strong economic potential; that is, the more economically powerful, the more environmentally responsive. This pattern is referred to as the accommodative approach to trade-offs. It particularly entails that actions to improve green performance are determined by affordability conditions – i.e. time and resource constraints.

The findings indicate that accommodative approaches can be motivated by a perception of green failing as a constraint to business performance; that is, EFF² can be threatened by green gaps. INF₂ observes:

There is still a group of businesses for which environmental issues are simply a burden. It's simply something that has to be tackled in a way that avoids them being embarrassed. Even in large companies, there is quite a lot of environmental work that is done to avoid embarrassment [...] It is very much casting negative light, avoiding things that could be bad, avoiding fines, avoiding being bottom of the league.

This excerpt emphasises the reputational aspect driving the pursuit and maintenance of high ethical standards, notably in terms of environmental responsibility. A company's reputation can be affected by a failure to address environmental issues. The affected reputation, in turn, negatively impacts brand image and weakens competitiveness. INF₁₉ illustrates this argument:

The negative impact of bad ethical behaviour – whether it is about environmental or social issues – is especially in terms of brand image so it's difficult to quantify. It's also about competition. For example, in the lighting industry, you will have three competitors already offering a carbon footprint assessment of their lights. So, if I don't react, I am likely to see customers asking to see what I have done in terms of carbon footprint. So it is recommended to anticipate because competition is already ahead.

INF₈ remarks that companies solicit her expertise 'in a reactive way, to address their concerns regarding inflation, rise in fuel prices, etc. So they have to react because they may miss market opportunities, it's really reaction'.

In summary, perception of green as a potential constraint to competitiveness yields reactive strategies. Businesses are stimulated to act upon trade-offs when EFF² or the company's reputation are challenged. They take measures to hide or mitigate green impact or to signal good corporate citizenship and avoid weakening the competitive position. Environmental responsiveness is thus viable to the extent that it accommodates business performance.

The approach to trade-offs may further take a proactive form when it is driven by business values. A rationale for intervening on trade-off situations may be one of voluntary commitment. As INF₄ explains, this may occur at the expense of business performance:

Academia Barilla found that if they added more salt and sugar to their products, it becomes tastier, tastier and tastier. Nevertheless, they voluntarily introduced a cap on salt and sugar to take the health issue into consideration. Their intention was also to reduce the quantity of supplies and reduce their carbon footprint. This is presumably not good for the economic performance because, in general, economic performance goes hand in hand with adding a lot of unhealthy stuff.

Regardless of the economic benefits of adding salt and sugar, Academia Barilla decided to implement caps to address health and environmental concerns – a voluntary effort built upon societal ethos.

The findings indicate that green-EFF² performance is determined by the capacity of the company not only to optimise EFF² (economic benefits, operational efficiency, etc) but to capture and address green issues emerging throughout the business. INF₈ indicates that ‘companies should be able to see a trade-off and take it on, even if it relates to environmental issues. People within the organisation should be encouraged to make the problem visible, rather than hiding it, to tackle it head on and turn it into an opportunity’. Some companies, INF₃ remarks, are building a capacity to explore green issues; they ‘try very hard to make their manufacturing processes and their products environmentally friendly to minimise environmental damage and environmental risk because that is what they aspire to do’. A business’s environmental ethos enables and legitimises its ESR commitment and actions to reduce trade-offs. Environmental responsiveness, according to this approach, is viable to the extent that it accommodates the company’s values.

Overall, the findings place a strong emphasis on the fact that ESR change, to be viable and effective, has to come hand in hand with EFF² performance. INF₁₁ synthesises this argument:

Most companies commit to ethical objectives because they are convinced that it will enable them to improve in terms of economic performance [...] It would be illusive to approach environmental issues otherwise.

Exclusive focus on financial performance, nevertheless, may lead to lackadaisical approaches whereby green is disregarded. Pressures to survive and sustain financial performance in a difficult macro-economic context are perceived to obstruct business commitment to ESR; a situation which is found to potentially reinforce trade-offs, often at the expense of green. The findings yet indicate that companies may be able to act upon trade-offs if one of the following two conditions is met: (i) 'green failing' affects EFF²; or (ii) green is included into the company's ethos as a business imperative. The discussion goes on to address the ambidextrous relationship between green and EFF².

6.1.1.2. Business approaches to the perception of ambidexterity

The findings further indicate a perception of green and EFF² as separate entities – i.e. one does not affect the other. In trying to develop the ambidextrous capacity to address environmental issues and business performance, businesses are driven to simply comply with the law – with moderate or minimal commitment to green – or carry out philanthropic initiatives.

INF₁₇ comments on the separation between green and EFF²:

When I see sustainability department's leaders attached to communication functions, it talks for itself. We can see it, they are attached to the communication service, so it's a way of highlighting things they have already done, maybe without any major actions [...] The more sustainable development is biased towards communication aspects, the less effective it will be [...] I worked with small companies in the cleaning sector. We looked concretely at the ethical charts of big corporations in the area to see how we could produce the ethical charts of smaller businesses. When we see what is told in the charts of big players as compared to what was concretely happening, how they manage waste, etc, we could see that there was a big gap. We are clearly into green washing.

INF₁₉ explains:

Bad practices are especially in terms of green washing. We can bring forward an environmental argument although we only comply with regulations. So we may deceive

consumers and competitors [...] In a product catalogue, for example, you may find a page on what the company achieves for the environment. They would claim, for example, to use eco-design processes but they don't have any tangible elements that would demonstrate their engagement. And they have a nice logo that indicates how careful they are about environmental issues but this strikes to me as quite shallow.

Commitment to ESR at the ambidextrous level, according to the above excerpts, may arise out of a perfunctory interest in green.

INF₁₉ however tones down the perfunctory argument, commenting:

We shouldn't blame companies too harshly. Sometimes they do green washing by default; that is because they are beginners in the area. If a company wants to be proactive in addressing environmental issues, it needs to make a huge effort. Often, it is easier to say: 'here is my product. It is tested against three different environmental regulations, we comply with them'. Or they can do it because they want to follow the latest fashion, look trendy.

INF₁₅ also notes that unsound environmental responses may be down to '*awkwardness, a lack of know-how from businesses*'. Although unsound responses may stem from genuine communication efforts, they cannot effectively invest the company with the capabilities to make a significant contribution to green. They signal a failure to go further than what is either required by the law or brought into light as a trendy thing to do. This lack of commitment emerges from a pattern of compliance – i.e. the act of conforming to something established: law or fashion. INF₁₅ warns that compliance, especially in the form of green washing, '*can have a very negative effect. It can be positive in the short-term. However, in the long-term, the backlash can be very strong*'.

The findings point to environmental philanthropy as an additional type of ambidextrous activity. INF₁₈ offers an example of how philanthropic initiatives can be carried out:

We proposed to organise what we called a Biodiversity Meeting involving local businesses. Companies had to take one hour out of work to enable employees to commit to an action of sensitisation. We visited each company who agreed to commit, ran a movie

explaining what biodiversity is about and what the stakes are for employees. The company's manager, in collaboration with staff, also had to choose an action in favour of biodiversity. So we proposed a number of actions, small things like working on the regeneration of the company's site, put into place a partnership with an environmental association or deliver baskets of organic vegetables. It was more of a symbolic action because the impact on the environment was minor. The idea was to stimulate employees, in their job context, to engage in something that isn't strictly linked to daily business routines.

This shows that companies may effectively engage in pro-environmental activities which are neither understood to enhance economic value nor to have a substantial impact on the environment. However, the type of engagement described above is symbolic; it is a one-off type of event. The impact on ESR is likely to be insignificant and the expected contribution lies essentially in sensitising business actors to the environmental cause. INF₁₈ further observes:

There are some companies which are clearly doing that [referring to the symbolic activities mentioned above] by pure opportunism. They come because it is good to be present and it will give a positive boost to their relationship with the region [referring to the French government] which is good if they work with them on different projects. But, in fact, it is not directly linked to the business activity yet will not affect it negatively.

This excerpt illustrates the idea of an ambidextrous ability to pursue economic goals while signalling good corporate citizenship via (opportunistic) philanthropy.

In summary, compliance and philanthropy are found to be the result of an aspiration to address green issues as an activity which is parallel to the core business. INF₁₅ comments:

In order to avoid falling into such activities as green washing, what is important is really to address important impacts, not necessarily those which are visible. Visible impacts may also be important; however, it is easy to manage waste but if, in parallel to that, employees manipulate dangerous materials all day without taking any particular precautions, even if the company is expert in managing waste, this will be considered as

green washing. That is, the firm addressed a problem despite having another one, much more important. Our diagnosis allows revealing such gaps.

Businesses may thus fail to achieve a holistic integration of green into the core business strategy and operations. In pursuing ambidextrous scenarios of integration through compliance and philanthropy, the potential for deeper and more long-standing ESR integration is difficult to appreciate. Further engagement may simply be deemed inappropriate. The question is: why would companies commit to do more for the environment while their current level of engagement is satisfactory to them and legitimate in the eyes of stakeholders? Deeper engagement may be motivated by a perspective that ESR integration is a strategic priority. In other words, business agents are inclined to explore synergies between green and EFF².

6.1.1.3. Business approaches to the perception of synergies

INF₂ explains that a motivation for ESR commitment is the propensity to yield business benefits:

I do the life cycle assessment work normally commissioned by larger companies, some public, some private, but they're larger and they have more resources. They don't do that work [i.e. ESR initiatives] because of regulatory pressure, they do that work either to inform strategic decisions, add value to the business, helping them to implement strategic decision or because they think that they will gain marketing advantage from it.

In envisioning ESR as a strategic imperative of value creation – whether the added-value applies to operations or marketing activities; businesses are thus willing to explore potential synergies between green and EFF². The findings suggest two types of strategies towards synergies: opportunism and progress.

Opportunistic strategies refer to the exploitation of synergies on the basis of the most immediate economic returns. INF₃ comments:

An impetus for companies is obviously to reduce their cost. Things like energy savings, waste reduction, cutting back on packaging, etc; these are all good things to do because you reduce your cost in an efficient way.

In line with this excerpt, INF₅ maintains that short-term profits may emerge from the fact that *'operating costs might be reduced; hence profits are immediately increased by taking greener options'*. By focusing on cost opportunities, short-term operational and financial performances can be improved. INF₁₇ concedes:

They try to get financial returns, cost reductions whenever they can. It is the advantage of initiatives combining energy and climate; that is, often we gain financial benefits at the same time as we contribute to our physical environment [...] Besides, those companies whose activities are directly depending upon fossil fuels are clearly feeling that their expenses are rising [...] Through our carbon footprint analysis, we also assess the company's vulnerability in the face of a strong increase in prices of fossil fuels and what it will cost them by making simulations on barrels' prices at \$70: What will happen if it rises to \$200? So there is an economic approach of gains and costs as well as sales, image towards customers and advantages they will draw by being forerunners in adopting sustainable practices.

INF₁₄ remarks that businesses are especially interested in acting upon visible synergies which provide immediate benefits whereas less observable synergies may be disregarded:

It starts off with the fact that you can't see emissions whereas waste is lying at the back of the factory. I didn't get the impression that people were too worried about emissions. They are worried about waste because it costs them money. They see the bills, they have waste on the back of the factory and they see the bills coming in. And those bills are going up and up and up again because of European regulations. As an environmental issue, waste is much more prominent than emissions or water.

The opportunistic approach of business agents can thus enable the identification of, and action upon, important synergies between green and EFF²; however, this may translate into fragmented green-EFF² initiatives, providing immediate return to the business and the environment (e.g. waste reduction) yet failing to address the broader impact of business activities on the environment (e.g. emissions). INF₁₃ corroborates the idea that companies may be driven to address green issues which exclusively constitute an immediate threat to the business:

We found that you will have a risk function in a business – risk committees and risk offices – and what they tend to look at are risks that directly arise through their activities or are in the immediate operating context and might affect their ability to function.

This excerpt suggests that opportunism provokes a fragmented integration of ESR; that is, the extent to which green is integrated into the business is proportional to its most direct – immediate and visible – impact on EFF².

INF₂₂ corroborates the idea that short-term gains can prevail over long-term initiatives and deeper commitment to green when it comes to exploiting synergies:

For some business practitioners, the gains are to be clear, they are not philanthropists. They are not prepared to take risks or engage the business into environmental actions that are not a business concern or don't provide immediate benefits. So they would have green actions in some areas but they may lack vigilance in other parts of the business. That said, I have seen companies gaining strong benefits by doing more than what is required by the law or what is motivated by economic pressures. These business leaders really understand that environmental matters are a business concern today and in the future; you can feel that aspect throughout the operations.

This excerpt indicates that businesses can conceive integrated green-EFF² strategies beyond opportunism by comprehending environmental responsibility as a condition to long-standing business performance. INF₁₈ explains:

The integration of environmental initiatives like carbon footprint assessments into the commercial policies, the marketing strategy and the products of the company is likely, clearly, to help them to differentiate in a number of markets.

INF₁₈ provides an example:

We work with a company which distributes books. In the wake of their carbon footprint assessment, they proposed to their customers to order their academic books earlier in the year so they could work on transport issues because the company faced strong peaks of

CO₂ emissions regarding their transports by plane. This type of transport was indirectly imposed by customers who would make last minute orders. So they produced a communication tool saying: 'As far as our transport conditions are concerned, you have the choice between ship: it is that much in terms of CO₂ emissions; plane: it's thirty times more CO₂ emissions than ship transport. Be aware of that; we encourage ship transport. And to offer you an incentive, we welcome earlier orders because delivery delays will necessarily be longer. But, if you order ship transport and the books are to be delivered abroad, we propose to pay clearance charges'. So they based their communication on the fact that they completed a carbon footprint analysis to consolidate their relationships with suppliers and customers. By doing that and involving customers and suppliers in decisions regarding the impact of logistic operations on the environment, the company was able to seize two market opportunities: one in Courou (Guyanne) and the other with Paris City Hall. Thanks to this communication strategy, they could in fact demonstrate what their achievements in terms of sustainable development are; this attracted new customers.

This example shows that integrating green credentials into the firm's marketing strategy can produce economic benefits. It can ultimately attract environmentally conscious customers and contribute to growth perspectives; although the impact on business performance may not be easily predictable and is not necessarily immediate. The fact that greener transport options can imply longer delays for delivery indicates a negative correlation between green and short-term business performance.

The above excerpt indicates that the company carried out a carbon footprint analysis which revealed potential synergies. The actions of the company on logistic processes, informed by the carbon footprint diagnosis, demonstrate a willingness to implement ESR responses throughout the entire business. This progressive approach enabled the firm to tackle green gaps in transport. By involving stakeholders (suppliers, customers) in the process, synergies between green and EFF² ultimately emerged in the form of green credentials creating market opportunities. INF₂₄ indicates that ESR integration can '*begin with small, fragmented benefits. Then, if the actions are consolidated, the benefits may reach higher levels. I have a few clients who understand that more strongly integrated environmental credentials are a long-term business opportunity if not a shield against future threats*'. These companies thrive upon

green-EFF² opportunities and progress towards integrated environmental responsiveness. INF₁₄ comments on progressive strategies:

If decision makers in the company are idealistic, then the chances are much higher that they can sort of combine the environmental and economic performance because they see more opportunities to progress.

In the same vein, INF₁₅ suggests that progressive strategies are essentially characterised by an aspiration from business leaders to achieve sustainability:

It doesn't amount to change everything in one trait. There are plenty of resources, richness upon which a company can evolve. It's more about evolving than changing. That is to say, we build upon existing strengths, know-how and experience to aspire to something different. There is a need to question or challenge the finality of things. The most difficult thing is perhaps to aspire to a more global finality, more concerned about humanity and the natural environment rather than merely the economic criteria. It becomes an enlargement. We are becoming conscious of that by assuming that, if we don't do it, there will necessarily be an impact on the economic finality.

Businesses therefore seek to make progress by broadening the scope of their responsibilities to address environmental and social challenges – not only economic ones.

In summary, the findings uncover two types of strategy being developed to address green-EFF² synergies. On the one hand, companies can seek advantage through opportunism; as a result, fragmented ESR solutions are implemented as companies act upon environmental issues which either constitute a threat or incur a direct benefit to EFF². On the other hand, companies can seek progress with the spirit of openness to capture and consolidate emerging synergies. Such strategies intend to progressively turn synergies into symbiosis. Progressive approaches to synergies open up perspectives for specialisations with businesses adjusting their strategies or visions to consolidate the linkage between green and EFF².

6.1.1.4. Business approaches to the perception of symbiosis

The spirit of openness required for progressive strategies towards green-EFF² is embedded in the business strategy and operations via what INF₂₁ refers to as transformational approaches to leadership:

I have come across a few visionary leaders. These people are driven by ethical principles and that reflects into the business, especially in decision-making processes. They lead the company in a transformational way. That's a way of inspiring workers, getting them involved. I visited the production site, talked to people around and saw that they were quite self-concerned about the quality of their jobs. They would care to consume a low amount of energy and propose new ways of dealing with waste, for example.

In the same vein, INF₁₄ comments:

We can shed light on the attitude of leaders or the boss or of crucial people within the company. If they are idealistic, then the chances are much higher that they can sort of combine the environmental and economic performance because they see more opportunities.

In these two interview extracts, the emphasis is placed on the importance granted to green by business leaders. Attachment of leaders to ethical principles or higher level of purpose is found to set environmental responsibility as a primary challenge. This attachment spreads throughout the company and translates into concrete actions in operations in terms of, e.g., waste management and energy consumption. INF₁₆ proposes an educational metaphor to illustrate the role of transformational leadership in fostering environmental responsiveness:

It [referring to environmental responsibility] is almost like raising children. As a father or mother, you have to make sure that your kids have reference points so they can grow up confidently and with a good sense of values. Well, in a company, it's a bit like that, your employees are to feel that what they do and how they do it matters, it has an impact. In doing that, you get a company that is more resilient to environmental risks.

Raising the entire company to a higher level of purpose embraces an aspiration to achieve a symbiosis between green and EFF². In other words, environmental responsibility is conceived of as a primary concern and the firm's level of (green) responsiveness becomes consequently higher. This contrasts against what a number of interviewees refers to as '*green washing*' (e.g., INF₁₉, INF₁₅, INF₁₈, INF₁₄) – that is the inclusion of ESR claims into the brand strategy with '*no real commitment behind it*' (INF₁₈). Symbiosis between green and brand strategy is therefore achieved.

Yet the failure to present evidence of grounded commitment throughout operations generates a pattern of cosmetic strategy, permeated with superficiality. Cosmetic strategies, as INF₂₁ puts it, consists of '*building a reputation of good corporate citizen*' yet do not necessarily reflect intentions '*to build strong sustainability programmes*'.

For ESR integration to be effective, the idea of consolidation is to be pursued. Companies, as INF₅ puts it, are to integrate ESR '*into their Board agenda and incorporate it into their risk management system*'. This translates into '*commitment from the top down, backed up by robust measurement tools and an integrated approach to spread that information across the whole company*' (INF₅).

INF₂ explains that green objectives are achievable '*to the extent that they are considered in terms of long-term planning*':

There are measurements, there are environmental performance targets. Some measures of management performance include environmentally connected parameters. For example, if company X has a strategic target of eliminating waste to landfill, then that target is passed on to business management objectives; this finally materialises into operations with improvements in terms of environmental impact in different parts of the business. I come across that from time to time. And I would say that, at least, that is an integrated approach to environment. The derivation of the original objectives may otherwise have been done with more reflections but at least businesses thought about it at very high level. The company may find that making a step towards the environment can be beneficial to the business; at least they can achieve a significant reduction of pollution... They can even commit to some sorts of voluntary events to preserve the environment, I have seen that too.

In this interview excerpt, the interviewee offers an account of a company's integrated approach to environmental responsibility. This account implies that integrated ESR, effective at the symbiosis level, offers to:

- Set green-EFF² objectives (*'measures of management performance include environmentally connected parameters'*);
- Produce business benefits (*'making a step towards the environment can be beneficial to the business'*);
- Tolerate philanthropic actions (or *'voluntary events'*);
- Mitigate trade-offs in operations (i.e. *'achieve a significant reduction of pollution'*).

INF₄ confirms the idea that, by building awareness on environmental issues and aspiring to symbiosis between green and EFF², a firm can be driven to mitigate trade-offs in operations:

Those companies who are willing to take on these trade-offs are the ones that are more conscious about their innovative abilities and wary of environmental defaults that they cause.

INF₃ further explains:

I think the best companies that you visit, particularly the multinational companies that you visit have very high standards of environmental performance, they have taken it very seriously. They have been very systematic about it. They've put in place measurements, they've put in place matrix systems, they've put in place a lot of employee involvement and pride in the environmental standards that they achieved.

This excerpt indicates that setting high environmental standards – through consolidative strategies – and relying on leadership models which encourage individuals' commitment – i.e. transformational strategies – determine the effectiveness of a corporate environmental response.

In summary, the construct of environmental responsiveness is understood to be composed of several levels which are sketched in Figure 10 (p. 132). A firm's aspiration to achieve

symbiosis between green and EFF² (integrated approach) sets premises for exploring and exploiting synergies, tolerating ambidexterities (e.g. philanthropy) and mitigating trade-offs in operations.

INF₁₅ confirms that ESR integration, to be effective, materialises into a multi-level responsiveness construct:

To delineate objectives, there will be strategic axes which will be identical for the whole business. These axes will be broken down differently according to which departments or services are concerned. However, they will all inscribe themselves into a general sustainable strategy. Then, there will be operational objectives which won't be similar in each department and service. [...] My objective, my role, is to try to sensitise and train business actors to integrate sustainable development into all decisions, including the most important ones. They thus become proactive.

It follows that, by complying with objectives of sustainable performance and high green standards, the firm becomes competent in unfolding various dimensions of impact which green can hold on business performance. With this awareness, ad hoc solutions can be implemented; whether this consists of dealing with trade-offs, tolerating ambidexterity or informing positive synergies between green and EFF².

Overall, in order for a multi-level responsiveness construct (green projections, Figure 10, p. 31) to take effect; the findings suggest that firms adopt consolidative/transformational strategies – thereby casting off green washing and inherent cosmetic strategies. Consolidative strategies intend to continuously reinforce the compatibility between green and EFF² wherever an occasion emerges throughout the company. Transformational strategies propose to motivate employees' commitment, heighten their sense of collective efficacy, create favourable premises for uncovering green-EFF² threats and opportunities, and achieve an efficient (applying green methods) and effective (setting green goals) integration of green.

Symbiosis is thus heralded as a leading aspiration for companies which are willing to advocate integrated green-EFF² solutions. The findings place a strong emphasis on the role of leadership and the relevance of long-term strategic vision:

With a long-term vision, companies' leaders can be willing to take ESR actions for which they didn't expect to capture any benefits because they deemed it unnecessary or futile. They will agree to commit because they realise that it will ensure sustainable development (INF₁₅).

They [referring to the company] were sort of held as being very forward thinking and that came just because of the manager. There was a strong team around him and they were very successful. They would do proper waste minimisation, waste prevention (INF₁₄).

A successful business needs to have a clear vision of what is the value it creates and what that value is for. I think the main obstacles are the rigidities of the status quo, of the way things currently work (INF₁).

The later excerpt corroborates the need for visionary leaders yet points to the reluctance to change from businesses rooted in unsustainable systemic routines. Achieving integrated green-EFF², it is proposed, becomes possible when an adequate, value-driven strategic vision prevails and all business actors – from bottom to top of systemic hierarchy – are committed to inspire green improvements. Environmental issues may otherwise be set at odds with the prevailing business model.

6.1.2. Reconnecting with theory

The discussion now reconnects findings and theory to specify the construct of the multi-faceted strategies model sketched in Figure 10 (p. 132). Both minimalistic and maturation strategies towards ESR integration are now examined.

6.1.2.1. Minimalistic strategies

Cosmetic, opportunistic, compliance and lackadaisical strategies are defined as minimalistic in that they are the reflection of a “static mindset” (Porter & van der Linde, 1995a, p. 121) constraining green-EFF² progress. Minimalistic strategies are depicted in the form of red projections in the MFS framework (Figure 10, p. 132). Each type of strategies is now analysed, beginning with cosmetic approaches.

Consistent with Siegel (2009); Siegel and Vitaliano (2007); and Porter and Kramer (2006) who discuss the symbiotic link between green management practices and brand image/reputation, the findings indicate that companies may pursue a symbiosis between green and brand image to signal good corporate citizenship. Some interviewees, however, shared their concerns about the failure to translate aspirational marketing into environmentally valuable processes, products and services. This is referred to as cosmetic approaches whereby companies attempt to build a green reputation yet fail to diffuse the signal that ESR is a strategic imperative inside the organisation. Cosmetic approaches can be defined as communication techniques that are devised neither to impart hard information – i.e. quantifiable, measurable information on green performance – nor to inspire a collective momentum of ESR integration throughout the business but to perform some social, marketing, advertising and/or public function such that external stakeholders such as customers, governments and nongovernmental organisations might sympathise with the firm – a pattern discussed by Siegel (2009). The red arrow leading to the symbiosis pattern in the MFS framework (top left quadrant, Figure 10, p. 132) captures the idea that companies focus efforts to mediate a green brand image and, in doing so, provoke the eagerness of “consumers and investors” (Cherry & Sneirson, 2011, p. 983). This constitutes a form of green-EFF² symbiosis whereby the EFF² concept applies exclusively to the firm’s performance in the context of brand strategy and aspirational marketing. Cosmetic strategies may be an effective differentiation factor and source of competitive advantage (Porter & Kramer, 2006; Siegel, 2009; Siegel & Vitaliano, 2007). They may however underpin feign interest and feeble attempt to integrate ESR throughout the business when they translate into green washing practices – as discussed by interviewees and theorists (see for example: Cherry & Sneirson, 2011; Lyon & Maxwell, 2011).

The findings further corroborate the idea that businesses may adopt opportunistic approaches (O. E. Williamson, 1985) to ESR integration. Opportunities to enhance EFF² (gain business benefits) or respond to threats posed against EFF² are suggested to provoke green intervention. This pattern constitutes a type of reactive approach to ESR integration (Carroll, 1979; Müller & Koehlin, 1992, 2002; Newman, 1993; Wartick & Cochran, 1985), often stimulated by an increase in energy prices and immediate prospects for cost reductions along the supply chain – aligning thereby with the assertion shared by Ambec and Lanoie (2008); Carter and Rogers (2008); and Porter and van der Linde (1995a, 1995b). Opportunism tends to reduce the applicability of green-EFF² synergies to the discernment of EFF² benefits –

particularly cost reductions. The view that emerges from interviews with business consultants is that the potential to achieve diverse (indirect) synergistic (or win-win) situations may be constrained by the total cost of a company's environmental program (Colby et al., 1995; Walley & Whitehead, 1994). Opportunistic business agents may disregard the fact, noted by Ambec and Lanoie (2008), that green expenses may be compensated by business benefits made elsewhere. Synergies are exploited on the basis of the most immediate/efficient economic return. It follows that devising environmental responsiveness independently to economic interests is not considered by opportunistic business agents to be the right thing to do. Opportunism feeds into the typology of minimalistic approaches in that they contend that green is not a strategic imperative but, at best, a transient strategy (McCrea, 2010) or option to yield immediate business benefits. The red arrow attached to the opportunistic strategies projection and leading to the synergy pattern in the MFS framework (bottom left quadrant, Figure 10, p. 132) captures the idea that companies focus efforts on exploiting cost-efficient green-EFF² synergies.

Compliance, discussed in previous research by Greeno (1993) and Roome (1992), are yet another type of minimalistic strategies. It suggests that some companies are not willing to contrive strategies of ESR integration which exceed the requirements set by the law and/or industry standards. INF₂ refers to the pattern of compliance as a means to casting '*negative light*'. Companies do not aim to be ESR leaders; neither would they like to be '*bottom of the league*' (INF₂). Compliance is found to reflect a perspective that firms are satisfied to achieve a level of commitment which is legitimate to stakeholders. Advocates of this approach are advanced to be reactive (Müller & Koechlin, 1992; Newman, 1993) insofar as ESR is driven by norms and regulations; as opposed to (pro)active strategies whereby corporate actors choose to anticipate or go beyond environmental regulations to propose ESR solutions which harmonise with the firm's environmental context (Reinhardt & Stavins, 2010; Siegel, 2009). Compliance invests companies to abide by the law – and/or respect industry norms; yet they fail to drive the integration of green into the core business strategies and operations. By limiting commitment to compliance, business actors may not generate environmental responses adapted to the specificities of the firm's context of performance. Such companies may lack the responsive capacity to act upon the integral scope of contingent trade-offs and synergies between green and EFF². The relationship between green and EFF² is largely biased toward ambidexterity; that is, ESR is viewed as a complement to EFF² imposed by norms and regulations. The findings suggest that this pattern often translates into the establishment of a

sustainability division/function separated from core strategic functions – which, as discussed by McNulty and Davis (2010); Elkington (2004); and Gulati (2007), may be incongruous to holistic ESR integration. The red arrow attached to the compliance projection, and leading to the ambidexterity pattern in the MFS framework (bottom right quadrant, Figure 10, p. 132), captures the idea that companies focus efforts on complying with environmental legislation and/or industry standards.

The last type of minimalistic strategies captured in the findings consists of lackadaisical postures. They refer to the reluctance – referred to as denial by Ledgerwood et al. (1992) – or incapacity – also called inertia by Gray et al. (1995); and Laughlin (1991) – of business actors to foster change in business activities notwithstanding the existence of green-EFF² trade-offs. It links back to the inactive approach to environmental management suggested by Ford (1992); and Müller and Koechlin (1992). The pattern of lackadaisical postures emerges principally from a conviction that integral responsiveness to environmental issues is unaffordable; therefore, the emergence of, and increase in, trade-offs between green and EFF² are inevitable. This finding corroborates McCrea's (2010, p. S60) argument according to which “perceptions that green is a strategy that will cost an awful lot of money tend to stand in the way for many shippers”. Business actors may thus focus on the perception of default incompatibility between green and EFF². They are comforted into this belief by current macro-level contingencies (economic crisis) in which companies – especially SMEs – are facing increasing pressures of economic sustainability, if not economic survival. Economic sustainability thus overshadows environmental sustainability. In this context, the analysis converges on the argument of Goerner et al. (2009, p. 81) that “blind obsession with GDP growth, efficiency and maximising profit for owners regardless of the costs to anyone or anything else set neoliberal economics at odds with workers, consumers, small business and the environment”.

The findings further point to the rigidities of business structures – often depending on industry context and infrastructure conditions – as a constraint to both green and EFF² performances – see excerpt from INF₁₄, p. 131, and Tanner (1999). The current economic context and rigidities of business structures generate a perception of fixed constraints (Porter & van der Linde, 1995b) to ESR integration whereby technology, products, processes and customer needs are fixed entities. These constraints feed the argument of mechanistic trade-offs in the face of which business agents are suggested by interviewees to be inactive – a pattern labelled by Roome (1992) as noncompliance. Business leaders may appreciate that ESR efforts are not

only unwieldy but give a perception that firms are straying from their core activities. Lackadaisical postures give rise to a pattern of low absorptive capacity with regard to environmental innovation (W. M. Cohen & Levinthal, 1990). As a result, companies remain passive towards trade-off situations, often at the greater expense of green, as they attempt to optimise within fixed constraints and/or, as INF₂₀ explains, dilute responsibilities by outsourcing environmentally sensitive activities.

Overall, lackadaisical postures reflect a “static mindset” (Porter & van der Linde, 1995a, p. 121) which impedes a firm’s capacity to shift constraints through innovation and improvement – as discussed in previous research by Huczynsky and Buchanan (2007); Mouzas (2006); and Porter and van der Linde (1995b). The red arrow attached to the lackadaisical postures projection and leading to the trade-off pattern in the MFS framework (top right quadrant, Figure 10, p. 132) captures the idea that ESR is reduced as a secondary objective and green is set at odds with EFF².

6.1.2.2. Maturation strategies

The compatibility analysis uncovers another typology of strategies towards green-EFF², one of maturation. Consolidative/transformational, progressive, philanthropic/self-interested and accommodative approaches generate various forms of maturation effects which conspire to create a positive momentum of ESR integration. Maturation strategies are depicted in the form of green projections in the MFS framework (Figure 10, p. 132).

The findings indicate that maturation effects are principally activated by consolidative and transformational strategies. They emerge from the perception by business agents that ESR is essential, not optional, and translate into an aspiration to achieve symbiosis between green and EFF² – consistent with the concepts of eco-effectiveness (Braungart & McDonough, 2008; Young & Tilley, 2006) and environment serving organisations (Ansoff & Sullivan, 1993). The findings related to the theme symbiosis leads to the identification of two types of maturation strategies: consolidative and transformational. The former aims to stimulate the consolidation of green through EFF², and EFF² through green, with a view to inspiring positive ESR solutions throughout the business – a form of internal leading edge (Roome, 1992). This requires the exploration and integration of synergies to create automated green-EFF² processes in strategies and operations (refer to the concept of eco-efficiency; Braungart & McDonough, 2008, p. 51). Transformational strategies specifically apply to leadership

style. They reflect an engagement of business leaders with others in such a way that the leader and followers raise one another to higher levels of motivation and purpose (e.g. preservation of the environment) – aligning with the definition of transformational leadership by Waldman and Siegel (2008). Business leaders, as sketched in the MFS framework (HF, Figure 10, p. 132), seek to build a vision of green-EFF² symbiosis (referring hereby to the concept of visionary leadership; see House, Hanges, Javidan, Dorfman, & Gupta, 2004) and inspire effective ESR solutions through strategies permeated with a compelling, future-oriented, ideological vision (Sully de Luque et al., 2008). Corporate environmental response is inferred from the firm's strategic leaders' conception of green and its value to EFF². The idea of creating an hyperactive (Müller & Koechlin, 1992) and challenging work environment that causes people to think, re-examine their ideas and find creative alternatives to, e.g., exploit green-EFF² synergies and reduce trade-offs (see green arrows attached to the consolidative/transformational strategies projection in Figure 10, p. 132) contrasts against cosmetic strategies, whereby brand image and business reputation are unique concerns.

In creating an eco-effective vision (Braungart & McDonough, 2008), companies build the capacity to enhance eco-efficiency by engaging all business agents in identifying opportunities (synergies) and threats (trade-offs) in strategies and operations. This capacity translates into a multi-level responsiveness construct driven by maturation strategies (green projections, Figure 10, p. 132).

The definition of progressive strategies is proposed to align with the meanings attributed to proactive (Hunt & Auster, 1990; Newman, 1993), innovative (Newman, 1993) and commercial and natural environmental excellence (Roome, 1992) strategies toward ESR integration. In contrast with the patterns of opportunism and transient strategies (McCrea, 2010), progressive businesses aspire to construct a bridge to symbiosis by exploring and exploiting synergistic improvements throughout the entire business. The findings unfold the construct of progressive strategies in the form of a '*ripple effect*' (INF₁₈). The identification of synergies between green and EFF² informs opportunities for specialisations with businesses shifting core strategies and operations to consolidate the compatibility between green and EFF². INF₁₈ (p. 140-141) illustrates the argument with an example of an organisation who carried out a carbon footprint analysis. In the light of results, the company chose the greenest alternatives to transform logistic processes. This shift, rooted into an aspiration to tackle green-EFF² trade-offs in transports (see green arrow attached to the progress projection and

leading to the trade-off pattern, Figure 10, p. 132) appealed to suppliers and customers and ultimately enabled the firm to seize new market opportunities. The implication is that green-EFF² synergistic improvements can emerge from the recognition that environmental issues are a primary corporate responsibility. In the above example, the carbon footprint analysis was the starting point for ESR integration. Advocates of progressive strategies may seek the involvement of primary stakeholders (e.g. customers, suppliers) into ESR decision-making to generate beneficial green-EFF² maturation effects. As discussed by Hart (1995), Elkington (1997), Friedman (2005); and Carter and Rogers (2008), rising transparency allows stakeholders to see further along an organisation's supply chain. Stakeholders may hence engage positively with the firm (e.g. increased consumption) as they observe corporate efforts to integrate ESR. The findings further suggest that the regulatory context and environmental standards imposed by industry not only coerce companies into ESR integration but can inspire ways forward for deeper ESR integration. This links back to the concept of compliance plus proposed by Roome (1992). Regulations and industry norms may thus facilitate the uncovering of green-EFF² synergies and progressing toward symbiosis – hence the green arrows attached to the progress projection and oriented toward the symbiosis pattern (bottom left quadrant, Figure 10, p. 132).

Philanthropy is identified as another type of maturation approach. It reflects a voluntary and ambidextrous commitment to enhance green. In line with the traditional sense of philanthropy, green activities are not directly linked to the business contexts of performance. Although this corporate response to environmental issues is not generally included by authors into environmental strategy management typologies, it arguably feeds into the concept of hyperactive companies proposed by Ford (1992); and Müller and Koechlin (1992, 2002). Environmental responsibility is set as a primary concern, with profit and returns to shareholders being less important. Corporate philanthropy may translate into a long-term vision of harmonising business performance with the environment – as discussed by Porter and Kramer (2002). The green and dashed arrows attached to the philanthropy/self-interest projection, leading to the symbiotic pattern and back to the trade-off pattern (Figure 10, p. 132), captures the idea that philanthropy may be rooted into an aspiration to achieve symbiosis between green and EFF² by anticipating and preventing future trade-offs. As Porter and Kramer (2011, p. 67) explain, companies can unravel business and environmental opportunities by “blurring the profit/nonprofit boundary”. If the environment in which the firm operates is not resilient, the firm's prospects for sustainable development may be at risk

(Porter & Kramer, 2011). Nonprofit/philanthropic activities aimed at reinforcing the resilience of the firm's environment may ultimately contribute to sustainable development. Environmental philanthropy or "self-interested behaviours" (Porter & Kramer, 2011, p. 77), originally derived to provoke ambidextrous effects, may therefore generate maturation effects in the way captured in the MFS framework (Figure 10).

Accommodative postures complete the typology of maturation strategies. They are understood to be driven by the predisposition of business agents to mitigate green-EFF² trade-offs. Predisposition is found to be a function of whether (i) green values are embraced as drivers for devising strategies and operations and/or (ii) environmental intervention is perceived to make business sense. In other words, ESR is viable to the extent that it accommodates the company's environmental ethos and/or business strategic priorities.

The findings suggest that business strategic priorities involve considerations for affordability conditions – i.e. time and resource constraints – and the impeding effect of green failing on business performance. On the one hand, environmental intervention is considered appropriate if it can be afforded. This constitutes a type of reactive strategies, the maturation effects inherent to which may be contested by the perception of green costing "an awful lot of money" (McCrea, 2010, p. S60). On the other hand, environmental intervention may fill an EFF² gap – a proactive pattern discussed in previous research by Porter and van der Linde (1995a) with pollution as the EFF² gap. Accommodative postures can therefore be described as reactive and/or proactive types of environmental strategies – therefore feeding into the typologies proposed by Müller and Koechlin (1992, 2002); and Newman (1993).

The findings further emphasise the salience of organisational values encompassing green as a potential business prerogative, not only an option. Values conspire to build an aspiration to achieve green-EFF² symbiosis and generate maturation effects – a pattern referred to by Orlitzky and Swanson (2002) as "value attunement".

Figure 10 (p. 132) sketches the maturation effects in the form of green and dashed arrows attached to the accommodative postures projection. The arrows imply that advocates of accommodative postures may tackle trade-offs by exploring (business oriented) synergistic improvements. Motivation to act upon environmental issues may further arise from an aspiration to achieve green-EFF² symbiosis – i.e. commitment to environmental ethos.

6.1.3. Summary and discussion

In summary, the analysis, drawn upon the four green-EFF² compatibility scenarios, uncovers the construct of ESR integration in the form of a MFS framework (Figure 10, p. 132). The MFS framework consists of a continuum from minimalistic strategies to maturation strategies. The above analysis indicates that these patterns of strategies align with, and/or extend, previous conceptual/typological propositions on environmental strategy management (cf. section 2.2). A different nomenclature is however chosen to differentiate the semantics of each type of strategies and their specific correlation to the compatibility scenarios.

Maturation strategies embrace the idea of an integrated normative and operational compatibility of green responsiveness with EFF². Green is conceived by business agents to be the right thing to do (effectiveness), which validates the proposition of normative compatibility (Tornatzky & Klein, 1982); and the right way to do things (efficiency), which corroborates the idea of operational compatibility (Tornatzky & Klein, 1982).

Minimalistic strategies, by contrast, are mainly driven by a focus on operational compatibility (brand strategy, immediate business benefits, regulations, industry standards) or incompatibility (optimising within fixed constraints, ESR as a secondary objective) between green and EFF². Green is not necessarily believed by business agents to be the right thing to do. It is not sought to be integrated into a long-term strategic agenda or corporate culture. Green may however be adopted opportunistically and exclusively on the basis of the operational benefits it provides. In other words, green is the right way to do things. Minimalistic strategies may thus provoke an EFF⁽⁻²⁾ effect with 'EFFectiveness' as the inverting variable.

The results indicate that assimilation with maturation and minimalistic typologies is determined by the perception business agents hold on EFF² – that is, what they discern to be the right thing to do and the right way to do things (Drucker, 1954); notwithstanding the green-EFF² compatibility scenario that arises. The compatibility scenario yet determines the disaggregation of maturation and minimalistic strategies into eight distinct patterns of strategies – depicted in the form of strategy projections in Figure 10 (p. 132). In a scale from strong to weak minimalistic effects, the following sequence is suggested: lackadaisical, compliance, opportunistic and cosmetic strategies. Similarly, in a scale from strong to weak

maturation effects, the following sequence is proposed: consolidative/transformational, progressive, philanthropic/self-interested and accommodative strategies.

In line with the argument of Bansal (1993), a firm's approach to ESR is not understood to be limited to one specific pattern of strategy. A complex network of strategies/approaches to ESR may reverberate with the variety of primary/secondary business activities (Porter, 1985; Porter & Kramer, 2006) and systemic/constructionist contingencies of a company. An ideal, multi-level environmental responsiveness construct is proposed to be one of exclusive maturation. Exclusive maturation embraces a vision to achieve green-EFF² symbiosis, a capacity to explore/exploit synergies and identify/reduce trade-offs and a willingness to commit to philanthropic/ambidextrous actions. The MFS framework is suggested to serve as a compass for evaluating a firm's level of commitment to address environmental issues.

To gain further insights into the driving forces and impediments to ESR integration, the analysis now extends to syncretistic challenges and the impact of systemic and constructionist contingencies on ESR integration. This is intended to provide a sharper theoretical lens through which to understand the emergence of the minimalistic and maturation effects discussed above.

6.2. Applying the syncretistic perspective

Interviews with consultants provide evidence to support the idea that syncretistic equilibrium between environmental responsibility and business performance requires an embracement, instead of segregation, of environmental issues which represent threats against, or opportunities for, sustainable development (i.e. what INF₁₃ defines as '*environmental trends that [firms] are subject to and give rise to*'). The analysis suggests that the pattern of reintegration requires establishing Systemic Contingencies (SC) and Constructionist Contingencies (CC) as functions of ESR. To illustrate the argument in statistical terms, the analysis proposes to define SC and CC as response variables and ESR as explanatory variable. The value (or design) of SC and CC depend on the value (or impact) of ESR. The functions are denoted as:

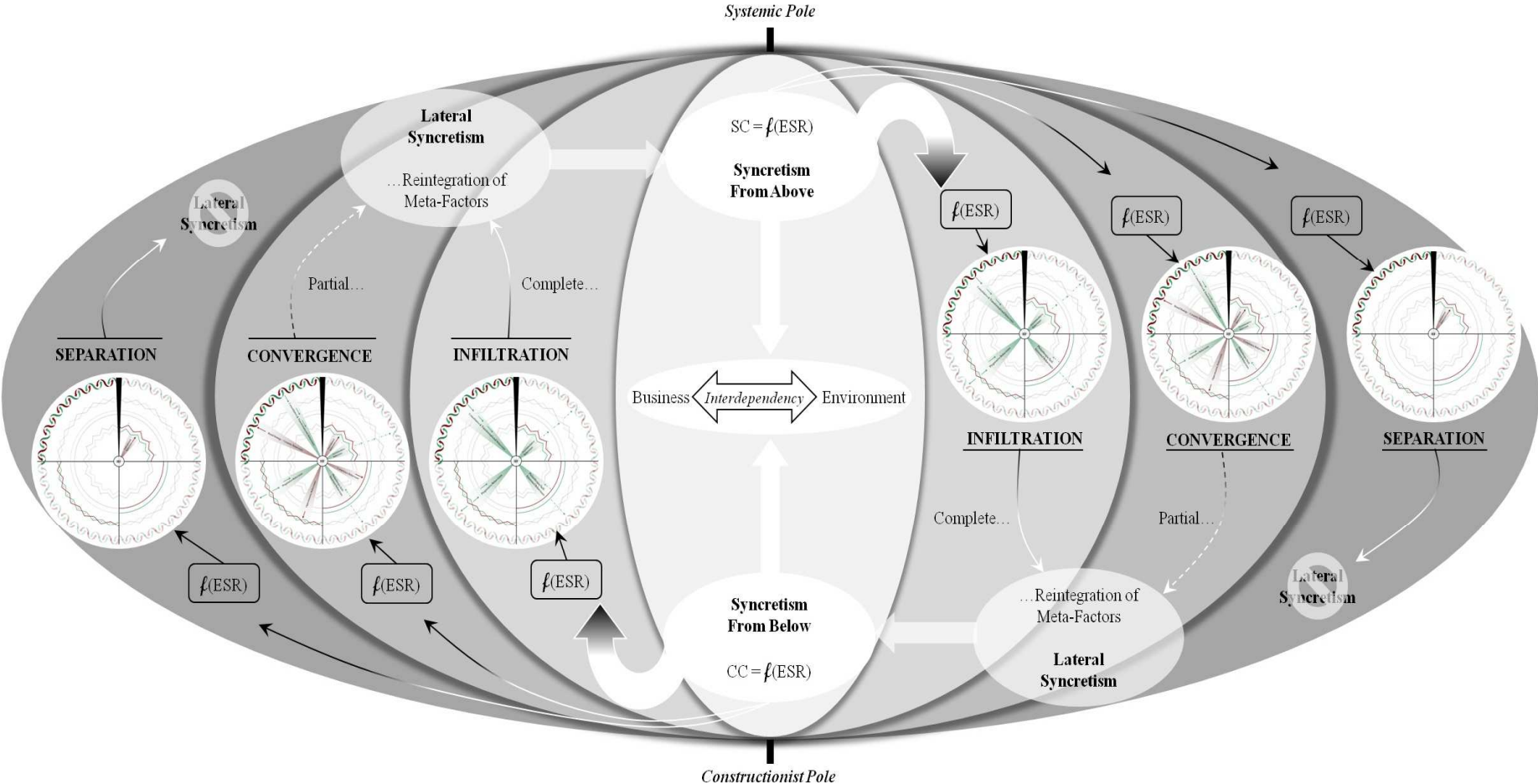
$SC = f(ESR)$; and $CC = g(ESR)$, where f refers to the word function and ESR is the firm's approach to green-EFF² compatibility scenarios.

The syncretistic model is designed to determine the relationship between the explanatory variable ESR and the response variables SC and CC. Ansoff and Sullivan (1993, p. 181) adopt a similar form of symbolic equation to examine the relationship between strategic responsiveness and organisational success: “Performance = f (strategic responsiveness x competitive effectiveness)”.

The achievement of syncretistic equilibrium is understood to depend on the capacity of the company to harmonise systemic and constructionist contingencies with ESR. The findings suggest that environmental responsiveness not only ought to harmonise with objectives of corporate growth within systemic constraints (SC), in line with Moratis and Cochius (2011), but also ought to be endorsed by individual agents of management and the meaning they attribute to green and EFF² (CC), in line with Hofferberth et al. (2011). Syncretistic performance may hence be stratified in proportion to the extent to which ESR is facilitated or impeded by constructionist and systemic forces. The analysis adopts the terminologies used by authors in the fields of culture and/or religion (see for example, Ferretti, 2001) to discern three types of syncretistic outcomes: separation, convergence/adaptation and infiltration. The proposition, illustrated in the form of a Multi-Layered Syncretistic (MLS) model in Figure 11, is that syncretism may be complete or partial; or it may fail. The MFS model (Figure 10, p. 132) is integrated into the MLS model to represent the response variable f (ESR). The results are developed in section 6.2.1.

Figure 11. A Multi-Layered Syncretistic (MLS) model

Source: author's own construction.



6.2.1. Findings

In the following discussion, relevant interview extracts are selected to discuss a range of systemic and constructionist contingencies which influence ESR integration. Each theme analysed provides evidence that ESR integration may either be facilitated or impeded. The discussion begins with the concept of syncretism from above and the systemic contingencies which explain its underlying mechanisms.

6.2.1.1. Syncretism from above

The interview extracts ascribed to the theme syncretism from above converge on the idea of conditional ESR integration. Corporate systemic pressures can either constrain or legitimise ESR.

In discussing the constraints to ESR integration, INF₁ proposes an appreciation of systemic pressures and inherent rigidities. She argues that *'sustainability performance is very much caught up in received wisdoms, in systems'* and further elaborates on the system in which companies make development decisions:

There are certain management rationales that drive how companies are organised [...] My interpretation is that actually what's happening at the moment isn't so much about market demand stimulating activities anymore but about this as a system having taken over. A useful example is the automotive industry where we are told mobility, making cars, selling cars can only work in the way that it's currently being done as in huge factories, economies of scale, drive mass production. That's the only way of doing it, there is no other way of making cars because the steel bodies are so expensive to make, and quite complex technologies, etc... So we're being told: there isn't much we can do about this. That's a given. There are only certain technological choices, the raw materials are the one available, waiting to be used. This system is established. And what's happening at the moment is that innovation, and even innovation for sustainability if you like is really being thought within that box. And what I am saying is that it is actually this box that drives a lot of the sort of downstream stuff that we are concerned about when it comes to sustainability. It drives the economic patterns of distribution and usage.

In brief, this interview excerpt indicates that companies are governed by the logic of habitus of a system in which development is primarily inspired by traditional ways of doing business; whether this impinges upon decisions on, e.g., procurement, production processes, technology development or environmental issues. The traditional way of doing business, as INF₁ observes, relies on how things can be done according to experience and usual practice yet constrains corporate innovative capabilities. Innovation is nevertheless essential to the development of sustainability solutions which effectively embrace environmental contingencies and trends. In particular, existing ‘*patterns of distribution and usage*’ (INF₁) principally designed to achieve economic effectiveness impede the development of ESR integration. INF₁₁ comments:

Businesses know how financial wealth is created and they can be admired for that outside of an appreciation of their environmental footprint. In fact, what they don't seem to know or are content to cast off is actually how to tread more lightly on the ecosystem.

A divergence between objectives of economic sustainability and objectives of environmental sustainability is suggested.

In line with INF₁₁, a recurring theme discussed by interviewees is the prevalence of economic results over environmental sustainability. INF₂ comments:

Businesses that I deal with actually have quite a narrow definition of success. The main success parameter is profitability. Insofar as they have any concept of sustainability; that would be that they are still in next year.

This excerpt suggests that some companies are challenged to be economically sustainable. The difficulty of this challenge provides a rationale for failing to adopt broader and longer-term sustainable perspectives. INF₁₄ confirms the idea that economic results tend to outweigh environmental responsibility:

We can talk about the social and environmental aspects, as soon as the economics come into play; that takes on everything which is normal because we talk about business here.

Money comes first, especially in cases where [environmental] commitment is too heavy time-wise and finance-wise...

Environmental responsibility can thus be perceived by companies to represent not only a cost burden but a slowing down of business performance. In a similar vein, INF₄ comments on two companies among consultancy clients:

Both of them are interested only in the lean side, so the money side. They couldn't care less about green. They just care about lean, money. At least the examples I dealt with so far.

The implication is that, in some cases, improvements in economic and operational efficiency and effectiveness (lean) take primacy over the development of green credentials.

INF₁₈ specifies that green credentials '*are not the criteria upon which companies will develop market shares or win over a large amount of customers*'.

A majority of interviewees thus converge on the argument that impeding conditions to ESR integration arise principally from the (possibly short-sighted) perspective that ESR not only fails to generate immediate business benefits but constitutes a constraint to business performance. Impeding conditions, as INF₁₇ puts it, entail that ESR integration '*will be too expensive, doesn't have an immediate effect, that it doesn't quickly transform into financial returns, that it sometimes represent indirect costs*'.

INF₁₄ explains that some companies are willing to pay for their failure to offer environmental responses because it makes business sense:

Some people [referring to business leaders] don't want to follow these agreements [referring to forestry agreements in England]. They skew the economic balance so they pay for them not to take part in these forestry agreements. That's the sort of downside of self-regulation.

INF₁₄ points to the idea that self-regulation, as the voluntary association of firms to control their environmental impact, does not constitute a persuasive catalyst for deeper ESR integration. He comments:

The downside of self-regulation is to give businesses the opportunity to do whatever they want. These sorts of agreements work only if everybody does it and, apparently, some companies find it more advantageous to pay fines for not taking part.

The findings indicate that the firm's perception of self-regulated activities such as forestry agreements as superfluous, and possibly a burden to economic performance, generates resistance to persuasion. Penalties, sanctions, and other informal means of coercion (transferral of norms, diffusion of best practice) to undertake ESR initiatives do not systematically secure business intervention – especially when business benefits of not taking part are believed to outweigh intervention benefits.

INF₁₃ further comments on the construct of corporate environmental responsiveness, reinforcing the prevalence of economic aspirations:

I think that most businesses are still about money. They're about money in a narrow sense. Essentially, the attitude to sustainability or social and environmental issues tend to be: 'look, if we can make money, if we've got a surplus, then we can spend some of it on environmental and social issues' rather than saying: 'we derive our wealth from a function in environment and we have risks that are posed by changing environmental conditions'...

This excerpt indicates that environmental responsiveness propounded by economically focused businesses is inferred from affordability conditions; that is, it depends on whether the company 'makes money' or generates cash 'surplus'. This conditional, reactive approach to ESR, as INF₁₃ brings forward, contrasts against proactive approaches. Proactive environmental responses imply that development decisions are founded upon the identification of important business threats and opportunities in environmental trends. The findings indicate that economic uncertainties linked to proactive environmental responsiveness tend to 'excuse a firm's reluctance to develop sustainability programmes'

(INF₁₇) and legitimise lackadaisical postures. INF₁₇ provides an example of economic uncertainties impeding green:

Finance managers – who are often company directors, especially in SMEs – are here to say: ‘the return on investment, if we install a wood boiler rather than an oil-fired boiler, it’s two years and a half, for us it’s too long so we won’t do it.

In this case, the green solution (i.e. ‘wood boiler’) is not validated because the financial return is not considered to be as satisfactory as the financial return of another, less environmentally-friendly, solution (i.e. ‘oil-fired boiler’).

In discussing business pressures to perform financially, INF₁ emphasise the role of shareholders:

There are so many people within organisations, not only in businesses but specifically in businesses, who say: ‘we would like to do things differently, but our shareholders won’t let us because if we do that we become quickly casted away.

This excerpt suggests that investment decisions which are not predicted to provide the most efficient business benefits, yet are intended to reduce the impact of businesses on the environment, may be discarded because they are disapproved by shareholders whose power of dissuasion is determinant.

Another (systemic) impediment to ESR is discussed by interviewees to be the market impact of such activities. INF₁₃ gives an example:

If you take the UK clothing sector, there are more ethical and less ethical brands and essentially price tends to come first to consume those. So if you’re more expensive, more ethical than competitors, the vast majority of consumers will buy on price, not on ethics.

Products which are designed and promoted to include environmental features – e.g. lower carbon footprint, ethical brand strategy – may not necessarily provide an economic advantage over competitors. Ethical products tend to be more expensive; therefore, they are less accessible to the mass market.

INF₁₈ confirms the idea that green does not determine a firm's economic success:

Today, the echoes we receive from companies are to say: 'we are so much into a business logic in which price and quality prevail over the environmental aspect. Sustainable development will be a bonus which will permit differentiation. However it is not yet a determinant element of economic development.'

In the two previous excerpts, INF₁₃ and INF₁₈ indicate that consumers tend to focus on price and quality. While ESR is not considered as an essential attribute of business profitability, it may signal the quality of a product and/or a service (e.g. 'permit differentiation') and stimulate consumption.

A number of interviewees discuss competitive forces and market volatility as potential impediments to ESR integration. INF₉ provides an example:

I came across this beverage company. They were obliged to make some changes in production. They decided to offer a number of new products, diversify to respond to a more intensive price competition and maintain their market shares. So this involved changing the whole production processes. The result was that the company was about to sacrifice part of its eco-efficiency.

Market fluctuations (or market volatility) may therefore impact the pace and shape of business decisions, at the expense of ESR integration.

Business prerogatives of economic performance, shareholder value creation and/or market impact are hitherto suggested to set inhibitive conditions for ESR integration. The following findings further emphasise a number of systemic conditions which can legitimise ESR integration.

For example, INF₁₄ argues that, in some instances, shareholder pressure offers the most favourable premise for legitimising ESR integration:

There are a lot of companies in Wales which are private ownership, they don't have shareholders. Whatever the boss says is to be done. It's definitely more difficult to make them aware and to green the business because of the pressures on the owner. The guy owns an engineering firm, there may be some pressure from people that he supplies but

there is no pressure from shareholders or may be from insurers. But the main thing is that the shareholder pressure is lacking.

This excerpt implies that accountability contingencies can influence a firm's response to environmental issues. While a distributed accountability setting – i.e. managers and shareholders – may stimulate and lead to the legitimisation of ESR integration, a weak accountability setting – e.g. self-managed businesses – makes ESR more difficult to implement.

INF₁₄ points to supply chain standardisation as a second condition for legitimising ESR integration. Multi-National Corporations (MNCs) with high ESR standards may impose these standards across their supply chain network. INF₁₄ explains:

Companies which operate completely individually are obviously in a supply chain but it's a very loose sort of grouping. Whereas if you have big multinationals, and if your business is in their networks of supply chains, there will be all sorts of pressures to achieve certain ethical standards coming through from upwards and downwards. It's a completely different thing.

INF₄ confirms that MNCs are often providing rigorous sustainability programmes which, in some cases, account for the environmental impact of an entire supply chain network. The influence of supply chain standardisation is suggested by INF₄ to function as a 'system which is designed to push the sustainability engine'. Systemic pressures, inherent to supply chain standardisation and competitive dynamics, may create a momentum for ESR integration. Companies (particularly SMEs) may be coerced into ESR integration, for, if they achieve low ESR standards, they risk a loss of important commercial contracts – e.g. trading opportunities with MNCs. ESR standards thus become the economic survival kit; in other words, the legitimacy of ESR integration is grounded upon its propensity to create opportunities for economic development. INF₁₇ describes the process of supply chain standardisation:

Big players who will be forced to be transparent about their carbon footprint will ask small players who supply them to carry out a carbon footprint analysis; otherwise they won't be able to produce theirs. So, by ripple effect, little by little, the culture will spread.

INF₁₈ corroborates the existence of a 'ripple effect' enabling the diffusion of ESR:

Giant retailers impose norms; if small retailers don't comply with them, they won't be able to gain market shares. For example, there is an Anglo-Saxon standard imposed by British retailers: BRC [British Retail Consortium]. We actually help businesses to get this certification. French businesses were forced to comply to be able to export their goods in Britain.

Supply chain standardisation thus constitutes a systemic condition for the development and diffusion of ESR integration. It links ESR credentials to economic growth perspectives.

In a more coercive way, the regulatory context is discussed by interviewees as another condition for legitimising ESR integration. INF₃ indicates that regulations can open up prospects for ESR integration:

To some extent, taking action in terms of their environmental responsibility will first of all be in areas like regulation. If there is a legislative dimension, imperative to take action, then they will do that because they don't want to actually pay anybody else, any fines...

INF₂ explains that the regulatory context in which a firm operates can not only motivate ESR actions but also inspire green-EFF² maturation effects:

Some of my clients have been eventually forced by regulation issues to tackle environmental management. After a while, having established some priorities and done some projects, they have reduced their water consumption by 50% or something dramatic like this and of course they've become more interested in keeping control of that thing.

To recapitulate, the findings related to the theme syncretism from above suggest the emergence of conditional interpretations. Conditional interpretations propose a twofold perspective on ESR integration: one of inhibition, the other of legitimisation. The findings uncover seven systemic contingencies which either inhibit or legitimise ESR integration:

- Desired business model – traditional business models and inherent rigidities may impede the development of innovative capabilities and provoke a division between

economic sustainability (often oriented toward achieving short-term results) and environmental sustainability (long-term perspective).

INF₄ calls for deeper individuals' commitment to challenge traditional practice and attune business models to ESR:

We need more people who can just defy the traditional management thinking which is all about 'I meet my end of month target.'

- Affordability conditions – companies give primacy to economic sustainability and view green as a redundant cost. Cash 'surplus' arising from economic success may in turn set favourable premises for ESR integration that receives shareholders' support.

INF₂₃ suggests that the probability of reaching affordability conditions can be strongly reduced by challenging economic contingencies and short-term survival bias over a long-term strategic focus:

Nowadays, some business managers, especially in small companies, are worried about maintaining the number of contracts. It is a matter of survival more than anything else. In such cases, sustainable development is out of reach.

- Consumption dilemma – consumers' focus on price and quality sets green credentials at odds with economic efficiency and effectiveness.

INF₁₈ yet indicates that ESR integration can also be legitimised by '*the pressures of [environmentally conscious] consumers*'.

- Market volatility – A firm's competitiveness may be challenged by changing market conditions. The firm's response to market volatility may lead to the exclusion of consideration of environmental issues.
- Accountability conditions – a firm's ownership structure is found to have an impact on ESR integration. On the one hand, systemic pressures on individual business owners to achieve economic success can inhibit ESR integration (INF₁₄). On the other hand, the presence of shareholders can either relieve systemic pressures and provide

legitimacy for ESR integration (INF₁₄) or reinforce systemic pressures and inhibit environmental responsibility (INF₁).

- Supply chain standardisation – leading supply chain actors (e.g. MNCs) set environmental standards. Companies in the supply chain must meet these standards. Not doing so would jeopardise existing and prospective trading opportunities.
- Regulations – the regulatory context not only coerces businesses into ESR actions but can inspire ways forward for deeper and long-term ESR integration.

In summary, the findings suggest that, while some business practitioners bring inhibitive conditions forward to justify their lack of responsiveness, others, particularly more advanced ESR advocates, seek to create legitimate premises for ESR integration. Both inhibitive and legitimising conditions embrace economic performance as the dependent variable. However, while the former conspires to exclude ESR as the independent variable, the later seeks to achieve attunement/harmony between economic performance and ESR. Attachment to a system and opportunities to grow within the system may either inhibit or legitimise concerns for green issues.

6.2.1.2. Syncretism from below

Syncretism from below contrasts against syncretism from above in that it notably entails that ESR integration *‘is not necessarily a matter of economic orientation. It is the decision-making process which can be very hierarchical and doesn’t work’* (INF₁₅). Constructionist challenges are concerned with the diffusion of ESR principles among individual actors throughout the company. INF₁₅ elaborates on the need to raise awareness about ESR:

A sustainable business knows how to put transversality into effect, how to apply consultation and participative leadership. It is difficult to talk about sustainable development if we don’t let employees understand what it is about. So, training, then transferring information, encouraging participation to decision-making, and making sure that there will be transparency. It is also one of the cornerstone principles of sustainable development – i.e. if we get you to participate to decision-making, we then explain what

the outcomes are, why we applied this, why we didn't apply that. In an ideal, sustainable business, it is necessary that this governance principle exists.

A collective momentum of commitment to green constructed within the company is thus recommended for facilitating ESR integration. The structure of the company and decision-making processes can either stimulate or curb this momentum. The effect depends on whether or not awareness about environmental stakes of all individuals across the business is raised (via, e.g., 'training', 'transferring information') and their views are integrated (i.e. 'encouraging participation').

Managing ESR, INF₁₅ explains, requires reconsidering 'the finality of things'. The interviewee concedes:

This is probably the most difficult thing to achieve. It amounts to say that the finality is more global, more central to human factors than merely economic criteria. People shouldn't assume that sustainable change is impossible, that business conditions are, in absolute terms, inhospitable to change (INF₁₅).

This excerpt suggests that constructionist pressures are to challenge the impression of irreversibility raised by systemic pressures and concomitant inhibitive conditions. To do so, business leaders are recommended to extend the vision of corporate responsibilities beyond economic welfare to embrace opportunities and threats in environmental trends. INF₂₂ comments:

An organisation blinded by economic achievements will not let sustainable development happen – especially when workers are pressured to be productive in everything they do; that doesn't leave room to care for environmental problems, whether materials are recycled, whether I turn the engine or the computer off before I leave work. It is down to those who decide, those who have the power to influence in businesses to let that happen, make it a collective engagement.

This excerpt suggests that ESR integration is facilitated when green objectives are endorsed by business agents. INF₂₂ places a particular emphasis on the role of leaders ('those who decide...have the power') in inspiring more sustainable ways of doing business. To illustrate

the importance of leadership, INF₁₈ reports the results of a quantitative study of 250 companies carried out in France:

Companies give three main reasons to explain why they commit to sustainable development. To 93% of businesses, it's first and foremost about managers' values – so a personal initiative. The second one is legislation, not surprisingly; and the third one is concerned with pressures from consumers. But, above all, it is about the values of managers.

This finding suggests that ESR integration is principally influenced by managers' values. In the study discussed by INF₁₈, the influence of managers' value (93%) in putting sustainable development into effect is stronger than the influence of the systemic contingencies of legislation (75%) and consumption (72%).

INF₁₄ corroborates the idea that personal attributes set the grounds of relevance to ESR integration:

It depends on how much time is available or how much money is available and things like personal issues. He's the boss of the company, what kind of person he is... does he have children? Then he is almost always a bit more concerned about the environment, is he on his own or is it a family company? [...] If they [business leaders] are idealistic, then the chances are much higher that they can sort of combine the environmental and economic performance because they see more opportunities.

Inspirational leaders can effectively enhance ESR if followers endorse their pro-environmental ideals and put them into effect. INF₁₄ provides an example of a company which is 'sort of held as being very forward thinking and that came just because of the manager':

There was a strong team around him and they were very successful. They would do proper waste minimisation, waste prevention; [...] All these environmental initiatives, in the end, it's your workforce that will do it. They are the ones who will have to do it. They are the ones who have to close the doors, turn the taps off, and put the wastes in the right bins.

A positive emulation effect between leading principles and operations is proposed to translate into workers' environmental responsiveness. INF₄ defines a successful company as '*a company in which employees are very happy to take it on when they see a trade-off [between green and business performance]*'. The interviewee pursues:

Also, they are always seeing problems rather than hiding problems within the hierarchy. It's very unlikely for people to report the problem up the chain, people tend to cover it all. Successful organisations are organisations where people are encouraged to make the problem very visible and actually tackle it head on, turn it into an opportunity (INF₄).

Tackling green-EFF² trade-offs, in line with INF₄, is best achievable in an open business structure where employees are confident that signalling green gaps is the right thing to do. This contrasts against opaque business structures in which employees' negligence of ESR may prevail; in particular, environmental defects may be disguised by efficiency biased measures of business performance. INF₂₄ comments:

I have seen very productive companies, very well organised in the way they produce and deliver goods but not so much concerned about the way they consume energy, resources, and manage waste. Pollution was not so much of a problem... They just don't have competencies in place to do anything else than push productivity to the maximum. Good companies are those who encourage all workers to do things for the environment, even small details such as cleaning, recycling, and so on.

It follows that, for ESR integration to be effective, business leaders are recommended to encourage the implementation of open business structures in which individual actors share a sense of environmental responsibility.

INF₁₇ specifies that corporate environmental responsiveness is essentially '*behavioural*'. INF₁₅ indicates that individual actors within a firm need to determine '*how they can work together to improve the impact*'. The interviewee elaborates:

The impact can be environmental or social. It requires helping the company to identify what are the strongest impacts, upon which they will need to work. There is this follow up and, then, the conduct of the project. Most of the time, these projects will mobilise actors

who are in different functions/services. There is a transversality to put into effect; a transversality which, in terms of human relations, is challenging (INF₁₅).

Behavioural aspects, and their effects on ‘*human relations*’ in the context of business, determine a firm’s ability to mobilise actors and build team cohesion. Cohesion, according to INF₉ ‘*is essential to bring sustainability to production. It is about setting objectives, for example in terms of waste, energy consumption, etc, and making sure that everyone knows what they need to do to achieve these objectives in the context of their job tasks*’. An open business structure which advocates a culture of continuous learning and teamwork is understood by INF₁₅ and INF₉ to be essential to the construct of environmental responsiveness. INF₁₃ comments on the complexity of attuning behaviours to ESR vision:

I think there are two things: [environmental performance] is a lot about detail but there is also a challenge: if the level of detail requires behaviours which are much a variance to current behaviours then there is a huge challenge in stopping doing what we are doing now, changing such that we are on a path towards meeting that vision.

In this excerpt, INF₁₃ points to the need to change behaviours. The interviewee implies that current behaviours are curbing the momentum of ESR integration.

INF₃ views innovative capabilities as an important driver to ESR. The interviewee explains that: ‘*innovation requires a mind-set, a culture change within the organisation*’. This innovative mind-set, according to INF₁₉, can emerge from one inspirational individual within the company:

An eco-design initiative can be launched within a business because someone believes in it and is interested in the subject. This person therefore turns to management saying: this subject is mounting, I am willing to work on it, we can try things. And often, it’s the presence of one person who is attached to this initiative which will bring this project to life. If management listens and follows this person, the initiative is more formalised. I think it was the case at ‘Steelcase’ [global leader in the office furniture industry]. It is one person who was interested. Then they really engaged resources by carrying out products analysis, obtaining eco-labels for seats and integrating this aspect of products into the marketing strategy.

The concern of one person about environmental issues triggered a momentum of ESR integration into production processes (*'obtaining eco-labels'* for products) and the marketing strategy. According to INF₈ and INF₁, innovative ideas do not necessarily arise from consultations at board level; in fact, they can also emerge *'from front-line workers themselves, those who are most closely involved in the activity every day'* (INF₈). *'Innovation actually needs to respond to the needs that people have on the ground'* (INF₁).

INF₅ suggests that employees can nonetheless be reluctant to adopt environmental principles and behaviours *'if the firm bases bonuses only on financial returns or an employee fears that becoming a whistleblower when CSR issues are flouted will result in dismissal'*. Rewarding employees on the basis of their productivity (*'financial returns'*), according to INF₅, reinforces systemic pressures (*'fears'*). The firm's environmental impact can hence be regarded as a taboo issue (*'whistleblower', 'dismissal'*). INF₁₇ reports an example of incentive systems based on broader performance indicators:

Two-three years ago, they integrated economic, social and environmental performance into the evaluation of business performance and employees' financial incentives. They established objectives in terms of work accidents, waste, etc. The principle is that if I plan a specific budget for waste and if I manage waste more efficiently and reduce waste, half of the resulting benefits will be distributed to employees.

Broader reward solutions integrating societal contribution is *'a good way of getting the right things done by every single actor involved in the business'* (INF₂₁). INF₃ provides an example and explains that rewarding ethical behaviours introduces a sense of pride in the organisation:

They've put in place a lot of employee involvement and pride in the environmental standards that they achieved.

The findings further suggest a pattern of diffusion of good practice at organisational level. INF₁₈ comments on the idea of providing opportunities to managers of different companies to share knowledge and good practice:

Ultimately, sustainable development, we find it in a few companies and the first idea of the network [referring to a sustainability network of businesses for creating knowledge and exchanging ideas on sustainable development] was to say: what we want is that one of the green practices conducted in one company may be reproduced in another one. It was really an exchange between managers...

Companies are thus encouraged to engage actively in a sustainability network. This engagement sets the occasions for managers to broaden the scope of business strategies and explore green-EFF² opportunities. For example, INF₁₀ explains that business actors who have the opportunity to exchange knowledge and practice can inspire each other to enhance environmental responsiveness:

If you have what we call a green champion who is able to demonstrate the range of benefits for the business, others will certainly follow. These kinds of things, especially when it comes to sensible issues like the preservation of our eco-system, are easily transferable. I have seen that happening in the region. People [referring to business leaders] get together, sympathise and end up applying similar business principles.

This excerpt suggests that the purpose of setting up occasions for managers to share ESR practice is inspirational. These inspirations, according to INF₁₀, lead to a phase of ESR implementation (*'applying similar business principles'*).

In summary, the findings point to a number of constructionist contingencies which influence the construct of ESR integration. The main challenge of syncretism from below is to combine inspiration and implementation in learning, leading, innovating and behaving towards ESR integration. A recurrent emphasis is placed by interviewees on the influence of individual managers/leaders. The findings uncover seven interrelated constructionist contingencies perceived to facilitate ESR integration:

- Collective commitment – constructionist challenges are concerned with the diffusion of ESR principles among individual actors throughout the company. The findings suggest that, for ESR to be distributed and effective throughout the entire business, individuals' awareness about environmental issues is to be raised and their views are to be integrated;

- Visionary leadership – business leaders are to extend the vision of corporate responsibilities beyond economic welfare to embrace opportunities and threats in environmental trends;
- Managers’ values – personal attributes (e.g. ideological orientations) of decision-makers influence ESR. Managers’ belief that ESR is the ‘right thing to do’ constitutes a catalytic constructionist condition for ESR integration;
- Behavioural aspects – the capacity of individual actors to attune behaviours to ESR vision determines corporate environmental responsiveness. Open business structures are advanced by interviewees to facilitate behavioural attunement insofar as they enable positive emulation effects between leading principles and business operations;
- Innovative mind-set – Individuals’ inspirations may trigger a momentum for ESR integration. Inspirations reflect the innovative competencies of actors in production processes, marketing activities and the overall business strategy. The moral concern of one person for environmental issues may inspire a way forward for investing time and resources in ESR throughout the entire business;
- ESR incentives – reward solutions integrating societal contribution are ways of getting green work done by individual business actors – e.g. front-line workers. They generate a sense of pride in the organisation;
- Diffusion of best practice – the diffusion of ESR and ethical behaviours does not occur exclusively at operational level but also at management level, particularly when managers of different companies share knowledge and good practice. Inspirational and instrumental network effects conspire to develop corporate environmental sustainability.

Unlike the concept of syncretism from above which suggests that corporate environmental response is predicated on the basis of systemic contingencies, the concept of syncretism from below suggests that corporate environmental response is predicated on the basis of the constructionist contingencies discussed above. The concept promotes an embracing of green-EFF² developmental perspectives by individual actors (leaders and followers) within the organisation. The interpretations of individual agents of management of the nature (or purpose) of their organisation and their willingness to construct an effective response to environmental issues determine the contingencies of relevance to ESR integration.

Overall, the construct of syncretism seeks to combine systemic and constructionist contingencies in legitimising, inspiring and implementing ESR. To achieve syncretism, the findings suggest that efforts may be coordinated at meta-level; that is beyond the putative scope of business systemic and constructionist contingencies to build awareness about opportunities and threats in wider, so far possibly disregarded, environmental trends. This pattern is captured in the following by interview extracts related to the concept of lateral syncretism.

6.2.1.3. Lateral syncretism

The findings related to the theme ‘lateral syncretism’ indicate that, for the syncretistic mechanism to take effect and lead to a synthesis of responsibilities, companies may seek to broaden their strategic vision in order to:

- Explore the impact of wider environmental trends on sustainability perspectives.
- Scrutinise the full set of environmental impacts of operations and development decisions;

ESR integration perspectives, according to INF₄, are always depending on ‘*the business context and surrounding environmental trends*’. INF₄ comments on resource challenges and current unsustainable practices:

There is no doubt that we will have a lot of resource challenges [...] We are actually really bad in utilising our very important assets [...] I visited this refinery, the production plant where they make the fertilizer near Birmingham. What the plant manager told me was that their consumption of natural gas was equivalent to the city of Birmingham. It's quite surreal when you go to one single factory, and their consumption is equal to the second largest city in this country. That is obviously a problem. They said: ‘Up to 80% of the nitrogen fertilizer we've put on the field can go to waste’. These things can not just carry on like this, it is serious.

This excerpt highlights two types of failures from businesses, one consisting of excessive resource extraction, the other related to waste and contamination of natural resources. The former entails that companies fail to respond to the problem of resource depletion. INF₄

implies that companies consume excessively and contribute to resource shortage. The later failure brought forward by INF₄ relates to waste management and the tendency of businesses to disperse hazardous waste (e.g. nitrogen fertilizer waste) along the value chain and accumulate resource (e.g., water, air, land) pollution. INF₁₂ observes:

A number of factories do not really see that they need to be wary of the way they manage resources. They are content with daily routines. They seek to be more and more efficient, which is what they want from me, but overlook the fact that the planet is not an endless supplier of minerals, polymers and flora for consumption. It is time for them to take strong positive actions to tread more lightly on the ecosystem and reduce their ecological footprint.

INF₁₂ confirms that some businesses are failing to embrace concerns about important environmental issues. The findings suggest that ‘*positive actions*’ (INF₁₂) to manage resources along the value chain (i.e. input, process, and output), are twofold: (i) decelerate (instead of catalysing) resource depletion; and (ii) reduce (instead of accumulating) resource pollution. The first objective, as INF₁ explains, may be reached by using ‘*other sources of raw materials to propose alternative design solutions for more sustainable products*’. The second objective requires ‘*complex choices in the supply chain, about how products are distributed and how the business model works*’ (INF₁).

INF₁₇ explains that continuous excessive extraction of resources by firms – which precipitates resource depletion – reflects ‘*a latent lack of vision*’ from business leaders. According to INF₁₇, the typical approach of business leaders is:

We know that, at some point, fuel will be so expensive that we will not be able to afford certain things but, well, it’s not too constraining today so I leave it aside for now.

Companies, possibly imbued with overreliance on short-term gains, tend to procrastinate (‘*leave it aside for now*’) when it comes to building the foundations of environmental sustainability. INF₁₅ calls for considerations to the longer-term impact of business activities on the environment. The interviewee explains that environmental responsiveness is ‘*more a way of managing a company, bring questions to the table*’:

Prior to making a decision, I ask questions about the set of impacts, not only on the economic viability of the project. So I wonder: by doing that, do I not risk creating an impact on the environment which would be irreversible and would increase costs, even in the long term? So, it is a management vision which facilitates the integration of different criteria with longer-term vision as well (INF₁₅).

In this excerpt, INF₁₅ emphasises the need to explore and identify the set of environmental impacts which the company generates. In the previous excerpt from INF₁₇, the emphasis is placed on the need to look to environmental trends (*'fuel will be so expensive'*) and possible negative impacts on corporate sustainability perspectives. INF₁₃ provides another example:

If you're a firm that mines indium for use within the flat screen monitor, the continuing availability of indium as how much is left on the ground should be strategically important to you.

INF₁₇ points to the *'erosion of biodiversity'* as an environmental trend that *'will cost millions to big companies sometimes in the future'*. The interviewee elaborates:

We start to realise that different domains – environmental or sustainable development – which we didn't believe to be directly linked to economic impacts, well they are linked and nearly in a direct way.

To address the problems of depletion and pollution of ecological resources, INF₁ advocates a process of systemic innovation:

Systemic innovation seeks to lead multi-faceted interactions between businesses and communities. So it's a sort of step beyond established systems, beyond the sort of production systems with all their rigidities and open up the dialogue between communities and companies – citizens and companies – to explore how they might actually get to more sustainable innovation [...] We need to rethink the whole system. We need to arrive at a situation where the ecological context comes into play and actually influences the choices we make.

This excerpt indicates that sustainable innovation requires companies engaging in dialogues with communities in order to build awareness about important environmental trends and develop suitable responses. INF₁ implies that traditional business models – referred to as inhibitive systemic contingencies under the theme syncretism from above – fail to offer a context in which meta-factors can be effectively integrated. INF₈ corroborates the idea that *‘existing business structures and models can be quite constraining if you want to develop sustainability thinking. It’s very clear that business objectives of development, and sometimes survival, are not conducive to responsible practice’*. Businesses rooted into systemic routines tend to segregate, instead of embracing, environmental issues.

INF₂ explains that the task of sustainability consultants is often *‘to broaden people’s horizons a little bit, encourage them to think more globally about stakeholders and the impact of their business’*. INF₅ views ESR principles as the achievement of *‘sustainable, profitable growth through commitment at all levels to the interests of customers, employees, suppliers, and the relevant external communities impacted by the business’*. In line with INF₂ and INF₅, a number of interviewees converge on the idea that companies will need to establish stronger ties with stakeholders. INF₁₆ specifies that stakeholders ought to be included into decision-making:

Of course, from the start, at conception level, we must venture towards an economy of recycling in Europe, etc. However, to be successful, it is necessary to always build a vision which will account for stakeholders’ expectations. So it’s always about shared purpose. If you don’t associate your stakeholders from the start, from the conception itself, you will not have a real adhesion, it won’t work.

Including stakeholders in the process of innovation is proposed to facilitate the integration of meta-factors; whether it requires scrutinising the full set of environmental impact a firm is generating or exploring the impact of environmental trends on corporate sustainable development. To meet stakeholders’ *‘expectations’* (INF₁₆) or *‘needs’* (INF₁), businesses may instigate dialogues with them. Because they are directly affected by environmental trends, stakeholders may contribute to the development of ESR. INF₅ explains:

Not only shareholders but all other stakeholders can suffer when a company's reputation is affected by a disaster; e.g. customers might withdraw from their business, employee morale goes down, suppliers are reluctant to supply on a long term basis.

The consequence of corporate failure to respond to environmental issues may thus affect a range of external actors and jeopardise business activities. INF₁ points to the need to 'inform the individual business about where that [referring to a given environmental impact] is happening into a bigger understanding of how it all comes together'. Companies, according to INF₁₃ are to perceive 'the system level risks that modern society is currently facing'.

In discussing the firm's capacity to explore broader and longer-term risks and opportunities in environmental trends, some interviewees suggest the notion of backcasting. Backcasting, as INF₂₅ explains, requires building a vision of future systemic and environmental contingencies:

What I look for companies to do is to have a vision of the future, how successful they can be in 10, 20, 30 years. On that basis, they can devise strategies to reach that goal. To say it differently, that's what is called backcasting sometimes. If you do that for your business, you would probably see the urgency of dealing with resource problems because this is crucial to future success.

INF₁₃ corroborates the idea that backcasting fosters ESR integration; in particular, it is conducive to the development of proactive responsiveness and sustainable business strategies:

Companies are increasingly more comfortable to explore the implications of environmental and social trends. The challenge is for them to bring sustainability to life is to look at this in an abstract form, i.e. in 30 years time, x, y, z might happen, how do I act now?

In a similar vein, INF₁₇ indicates that companies undertaking a carbon footprint analysis seek to 'improve, anticipate changes and mutations which businesses will have to make sooner or later. For example, they will be impacted by a strong increase in prices of fossil fuels, they see it. Companies which are very dependent on such resources through, for example, transport operations, see very well that they are spending more and more money'.

Companies who observe the negative effects of environmental irresponsibility on business performance may thus seek ESR integration solutions. Exactly what solution gains credence within specific businesses arguably depends on the dynamics between the systemic and constructionist poles. The next section reconnects findings with theory to elaborate on the different types of syncretism sketched in Figure 11 (p. 161).

6.2.2. Reconnecting with theory

Linking to theory and using the empirical insights into the constituents of syncretism from above, syncretism from below and the mechanisms of lateral syncretism provided in section 6.2.1, the analysis now elaborates on the construct of a multi-layered syncretistic model that specifies the scenarios of reintegration of environmental issues into business strategies and operations. As shown in Figure 11 (p. 161), syncretism is proposed to translate into three distinct outcomes: infiltration, convergence and separation.

6.2.2.1. Infiltration

The mechanism of infiltration implies that the fourteen systemic (pp. 166-168) and constructionist (pp. 174-175) contingencies discussed by business consultants set favourable premises for ESR integration. The value of the response variable $f(\text{ESR})$ reflects a multi-level responsiveness construct (see Figure 11, p. 161). It triggers positive syncretistic dynamics by integrating ESR as a catalyst for sustainable change and can be denoted as $f(\text{ESR}) = \text{SC} = \text{CC}$ – a (symbolic) equation for determining the conditions under which the relationship between business and the environment may be conceived of as ‘interdependent’.

The mechanism of infiltration allows for what Ketola (2007) refers to as the coalescing of corporate environmental responsiveness into the business strategy. An example of infiltration can be the perception of green by business agents as consistent with their beliefs, organisational values (CC) and the desired business model (SC) – aligning thereby with the definition of compatibility by Rogers (1983, 1995); and Tornatzky and Klein (1982). INF₄ further illustrates the idea of infiltration by defining sustainable companies as ‘*companies who are always seeing problems [referring to environmental issues] rather than hiding problems within the hierarchy*’. Because business agents are ‘*seeing problems*’, they may be equipped with the environmental vision and awareness needed to achieve lateral syncretism and

facilitate the reintegration of important environmental trends (e.g. the availability of indium for the production of flat screen monitors, erosion of biodiversity) as a primary corporate responsibility.

The findings related to the theme 'lateral syncretism' suggest that the mechanism of building awareness is twofold. At the systemic pole, managers are able to evaluate the impact of environmental trends on business performance. At the constructionist pole, managers are able to capture the impact of business activities on the environment. The findings emphasise the salience of stakeholder engagement (in line with Alvesson & Willmott, 1992); in particular, companies are to consult with societal actors (governments, nongovernmental organisations, suppliers, customers) who are concerned and/or affected by environmental trends to inform their approach to ESR – as suggested by Hollender (2004).

The use of backcasting is commended by a number of interviewees. Robèrt et al. (2002) define backcasting as the capacity to make predictable sense out of the endpoint of sustainability; in other words, what the firm could do today to get to a successful result envisaged in the future. In his consultancy work, for example, INF₂ tries to '*analyse the social and environmental risks that companies are subject to and that they give rise to*'. Insofar as these risks are identified and acted upon, companies may create the premise for achieving a mechanism of infiltration between ESR and business performance. Applying the set of sustainability principles proposed by Robèrt (2002, p. 64); and Gladwin et al. (1995) may facilitate syncretistic infiltrations in which individual values and business sense are combined to venture towards holistic ESR integration – a pathway notably chosen by IKEA and Swedish McDonald's (Robèrt, 2002).

Additional evidence is provided to support the idea that syncretism may not generate a perfect alliance between syncretism from above, syncretism from below and lateral syncretism. The analysis captures two additional syncretistic outcomes: convergence and separation; which illustrate the potential (syncretistic) constraints faced by companies in applying ESR principles such as Robèrt's (2002) systemic conditions and the sustaincentric perspective of Gladwin et al. (1995).

6.2.2.2. Convergence

The pattern of convergence frames the idea of partial ESR integration. In other words, the process of reintegration is incomplete as constructionist and/or systemic discrepancies are uncovered. Convergence, as a syncretistic outcome, is discussed by Ferretti (2001) in his study of religious syncretism. In this thesis, it entails that ESR and business performance have a common purpose – i.e. they are both conceived of as corporate responsibilities. Yet, instead of generating a fusion, green and business performance only tend to a common result and syncretistic adaptations are required. The pattern of convergence can be defined as the exclusive normative or operational compatibility of green responsiveness with EFF². Environmental strategies which meet one criteria of compatibility are not embraced by the other. INF₇ notes that environmental performance *'is generally fragmented'*. The interviewee maintains that companies can do well in some areas yet be impeded in others.

Evidence suggests that business leaders may claim that ESR is the right thing to do. However, if involvement of all business actors is not supported (INF₂₁) via, e.g., broader incentive solutions (INF₁₇), constructionist contingencies may be framed against ESR integration insofar as the conditions of ESR incentives, collective commitment and behavioural aspects are not satisfied. This may translate into greenwashing (Cherry & Sneirson, 2011; Lyon & Maxwell, 2011). Syncretism will generate a fusion if ESR goals are genuinely endorsed at the constructionist pole – i.e. bottom-up adaptations.

Another example relates to a firm's approach to environmental regulations/norms. Complying with regulations and/or norms constitutes a type of systemic condition for ESR integration. This level of commitment to ESR may yet be insufficient to meet constructionist characteristics of, e.g., visionary leadership, innovative mind-set, etc. A fusion between syncretism from above and syncretism from below may be achieved if regulations are used as a springboard for deeper ESR integration – as Schaefer (2004) and Chester (2010) commend in their studies of ESR integration. Holistic ESR integration is subject to the firm's willingness to adapt and operate beyond regulations. The dashed arrow leading to lateral syncretism in Figure 11 (p. 161) right side of the sphere, convergence layer) depicts the idea of partial reintegration. Focusing on compliance strategies, as Desrochers (2010) and Siegel (2009) argue, may be insufficient to reduce trade-offs and generate important benefits to both business and the environment.

The pattern of convergence is also proposed to explain the nature of philanthropic initiatives whereby companies address green issues that are disconnected from EFF². These types of environmental actions arguably emerge from an individual's recognition of the importance of an issue at the constructionist pole. The sensitivity and influence of this individual lead to the engagement of business resources to address an environmental issue. The diffusion of sensitivity towards a societal issue is discussed by, e.g., Galaskiewicz And Burt (1991); Patter and van Lierop (2006); and Dutton and Dukerich (1991). The environmental initiative may fail to be reintegrated as a business concern at the systemic pole. The idea of convergence contends that the condition of syncretistic equilibrium can be satisfied only if philanthropic initiatives underpin a long-term aspiration to achieve symbiosis between green and EFF²; in line with Porter and Kramer (2002). This is illustrated in Figure 11 (p. 161) by the dashed arrow leading to lateral syncretism (left side of the sphere, convergence layer).

In summary, convergence generates imperfect syncretistic equilibrium. Systemic and constructionist contingencies, to some extent, facilitate and, in other aspects, impede ESR integration. The value of the response variable $f(\text{ESR})$ is proposed to reflect a continuum from maturation to minimalistic approaches to ESR integration – as sketched in Figure 10 (p. 132). Parts of the company endeavour to reinforce the correlation between green and EFF², other parts of the business may focus on operational (in)compatibility and adopt minimalistic strategies. Hence, the company remains relatively vulnerable to threats in environmental trends insofar as the prospects for syncretistic equilibrium are uncertain and subject to a firm's willingness/capacity to adjust the response variable $f(\text{ESR})$.

6.2.2.3. Separation

To complete the analysis of the syncretistic mechanism, a pattern of separation is identified. Ferretti (2001) used the term 'separation' to define religious practices of one faith which do not exist, or are not adopted, in other faiths. Syncretistic failures were identified in the field of culture by Harris (2003) in his discussion of the inherent tensions in cultural production (e.g. painting) between the personal and the political, the abstract and the figurative, the purist and the hybrid (Harris, 2003). In this thesis, the pattern of separation poses ESR as having a constrainable or non-inherent nature and ignores the potential for congruence between green

and business performance. It relates to a pattern of operational and/or normative incompatibility between green and EFF² in which systemic and/or constructionist contingencies segregate, rather than embrace, environmental issues. In this context, the principles of Robèrt (2002); and Gladwin et al. (Gladwin et al., 1995) cannot be implemented.

As captured in the MFS framework (Figure 10, p. 132), business leaders focused on objectives of economic growth and shareholder value creation (systemic conditions) may adopt lackadaisical postures towards ESR. Management vision and value orientation (constructionist conditions) are exclusively dedicated to self-enhancement and economic growth is the privileged means to fulfilling this value. The following interview extracts illustrate this argument:

Businesses know how financial wealth is created [...] what they don't seem to know or to value is how to tread more lightly on the eco-system (INF₁₁).

I think that most businesses are about money. They are about money in a narrow sense (INF₁₃).

Insofar as [example of managers in one company] have any idea about sustainable development; they see it as a sort of economic challenge: how much more profits can I generate this year and the coming year, etc? (INF₂₂).

Separation is viewed to stem from a form of hierarchical encompassment whereby business actors endeavour to appropriate, rather than offering a moral counterbalance to, systemic dominance. This is consistent with Friedman's (1970) line of thought according to which ESR represents a violation of the essence of the core corporate mission of economic growth and shareholder value creation. Systemic pressures are dominant and businesses are viewed to be bound to what Carroll and Shabana (2010, p. 90) refer to as "the old social contract with society" which merely embrace economic and legal responsibilities. This may explain the phenomenon of inertia (Gray et al., 1995; Laughlin, 1991) – a form of resistance to change. As a case in point, the findings indicate that business agents may be rooted into the perception noted by Braungart and McDonough (2008) of a collision between traditional business models and environmental responsiveness.

As a case in point, the failure of self-regulation to provide a persuasive means to ESR integration, as captured by INF₁₄ (pp. 161-162), is symptomatic of a perceived collision. Another example relates to the impact of market volatility – i.e. when a firm's competitiveness is contested by changing market conditions – on ESR integration. That is, in line with Cruz Machado and Duarte (2010), development decisions (diversification) are to be made in response to market volatility. These decisions may require changes in production processes and ultimately result in an increase in the firm's negative impact on the environment. Environmental credentials acquired through anterior production processes and technologies may be lost (see interview excerpt from INF₉, p. 164). Such development decisions, it is argued, constitute a form of opportunism intended to sustain economic performance while curbing, at least partially, environmental responsibility. In other words, systemic contingencies may set unfavourable premises for ESR integration with market volatility as an example of inhibitive condition.

The mechanism of separation implies that the pathway to reintegration of environmental issues as a corporate responsibility is breached and the prospects for ESR improvements are discussed by interviewees to be inexistent. To incorporate this argument into the MLS framework (Figure 11, p. 161), the value of the response variable $f(\text{ESR})$ is proposed to reflect a minimalistic, lackadaisical approach to ESR. The pattern of separation translates into a mismatch between syncretism from above, syncretism from below and lateral syncretism. As a result, companies may fail to envision economic opportunities and threats in environmental trends.

6.2.3. Summary and discussion

In summary, the analysis uncovers the construct of syncretism in the form of a MLS model (Figure 11, p. 161). The MLS model consists of different syncretistic strata, each reflecting specific values of the response variables SC (right side of the sphere) and CC (left side of the sphere) in function of the explanatory variable ESR.

Infiltration generates a pattern of fusion of ESR and business strategies and operations. Systemic and constructionist contingencies are designed to facilitate the reintegration of environmental issues as a corporate responsibility. Convergence refers to the partial reintegration of environmental issues. Because a number of systemic and/or constructionist

conditions fail to be met, the equilibrium between syncretism from above and syncretism from below is compromised. It may represent a form of juxtaposition of ESR and business performance; that is, the approach to ESR satisfies the contingent conditions of one pole of the syncretistic framework, probably not the other so long as constructionist/systemic adaptations are not made. Finally, the pattern of separation reflects the idea that the process of reintegration is breached insofar as systemic and constructionist conditions set unfavourable premises to ESR and prospects for ESR progress are (presumably) inexistent.

The analysis thus suggests that the alliance between lateral syncretism, syncretism from above and syncretism from below can either (or altogether) be secured (infiltration), partial (convergence) or breached (separation). The alliance is referred to as a process of reintegration in which lateral syncretism differs from systemic and constructionist influences in that it transfers 'meta' relations into potential 'meso', 'macro' and 'micro' challenges. In other words, issues that are putatively abstract to business performance, thus possibly hitherto ignored by the company, may be (re)integrated as a corporate responsibility. As illustrated in Figure 11 (p. 161), the response variable $f(\text{ESR})$ determines the robustness of the alliance.

The findings indicate that systemic pressures are often put forward as constraints to ESR integration; whether this translates into shareholders disapproval, economic instability, market volatility, etc. They tend to impinge on normative engagement and provoke a reluctance to change, understand, learn and lead towards syncretistic equilibrium. The functional separation between the syncretistic poles may be obscured when the systemic pole overshadows constructionist drivers for ESR integration. A pattern of separation may emerge and cause the oversight of the morality/responsibility of individual actors within the system (at the constructionist pole). An increase in the likelihood of self-enhancement/corruptive behaviours may be observed.

However, the syncretistic framework aims not to obscure and/or confuse constructionist and systemic contingencies but to embrace them into one mechanism by conceiving a separate account of their narratives and influences. To avoid confusion and provide clear prescriptions on ESR integration, the characteristics of systemic and constructionist contingencies should be examined as separate entities in the way depicted in Figure 5 (p. 81) rather than dissolved within their syncretistic alliance. They ought to continuously influence decisions on what is

the right thing to do and what is the right way to do things. The syncretistic perspective may help management practitioners to understand the influence of such contingencies on ESR and how they may inform the integration of green as a catalyst for business strategic and operational changes.

Chapters 7 and 8 provide a case study illustration. The four compatibility scenarios and syncretistic framework are applied to the case of a UK brewery.

7. Applying the four compatibility scenarios framework on a Brewery

In this Chapter, the analysis unfolds the construct of ESR integration at BRECO, thereby grounding the theoretical framework on compatibility challenges within its real-life context (Saunders et al., 2009). Information about the context (sample and company) and relevance of this case study can be found in section 5.2.2. To specify the context further, the following account takes the reader through a brief description of the history and structure of the company.

BRECO is a British regional Brewery founded in 1890. Since its foundation, the brewery went through continuous and significant enlargement and modernisation with major changes occurring in the 1970s (when the process of enlargement began) and in 2006-7. In 1990, the company founded a charity to celebrate its centenary as a public company; the objective being to support worthwhile causes within a 25-mile radius of the site by utilising a percentage of the company's annual profit. Another milestone was the installation of new fermenting vessels in 2001-3 in order to renovate BRECO's production systems and cope with increasing demand. Consistent with the firm's focus on socially responsible development, the brewhouse was completely re-equipped in 2006-7 making it one of the most energy efficient in Europe. The firm also initiated a project to build a new distribution centre and expand its business with the purchase of land in a neighbouring town at the beginning of 2004. Since its installation, the new 'eco-efficient' distribution centre provided substantial improvements in distribution activities in terms of both ESR and business efficiency.

BRECO is composed of four core business divisions: brewing operations, logistic operations and customer contact, the retail business and the hotel business. Brewing operations include brewing, brands/pubs and distribution. Logistic operations and customer contact are attached to Human Resource Management (HRM) and information technology. The retail business consists of shops, online business and mail order business. The final sample of six respondents covers all of these business functions; it includes the CEO, Operations Director (also responsible for HRM), Head of Marketing, Head Brewer, Sales Director and Retail Director.

The analysis of their responses leads to the conclusion that BRECO is proactive in dealing with environmental issues. The firm's approach to ESR is interpreted to reflect a Multi-Level

Responsiveness (MLR) model (Figure 12) which integrates Human Factors (HF) as a central variable influencing the orientations of leading and operating (or impact) projections. BRECO's pro-activeness in tightening the link between green management and business performance translates into a capacity to respond at four levels. These levels are sketched in Figure 12 into four separated quadrants:

- Top left quadrant: decision-making aspires to symbiosis and considers effective innovation and action plans to provoke synergistic improvements and reduce trade-offs (see arrows leading from the symbiosis pattern back to the faded synergy and trade-off patterns).
- Bottom left quadrant: exploit synergistic improvements; and, by that means, mitigate trade-offs in operations/supply chain and venture toward symbiosis (see arrows leading from the synergy pattern to the faded symbiosis pattern and back to the faded trade-off pattern).
- Top right quadrant: managers and staff endeavour to identify trade-offs and explore synergistic improvements (see arrows leading from the trade-off pattern to the faded synergy pattern).
- Bottom right quadrant: managers and staff engage in ambidextrous green-EFF² activities for which green initiatives (e.g. beach cleaning, carbon neutral beer, external food waste management) are not viewed to provoke an immediate effect on business performance (see dashed arrows leading to the symbiosis pattern).

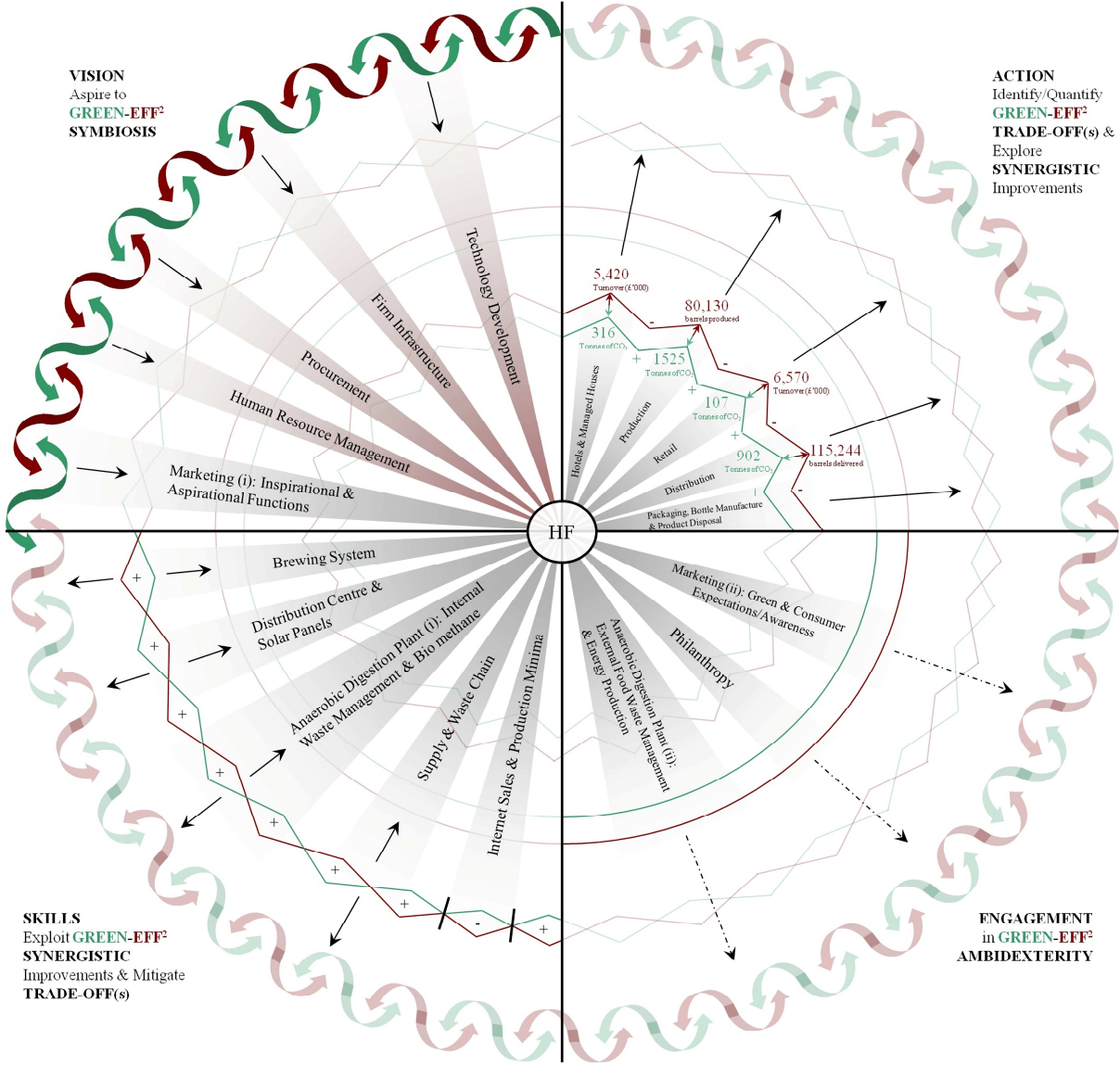
Consistent with the methodological choices discussed in Chapter 5, this Chapter is organised into two related parts. In section 7.1, the findings explain how BRECO perceives and acts upon the compatibility between green and EFF², how they attempt to overcome trade-offs and what are the dynamics within and between the compatibility scenarios. In section 7.2, the results discuss the maturation approach of BRECO and specify the mechanisms of the MLR model (Figure 12).

Figure 12. Green-EFF² maturation effects at BRECO: a Multi-Level Responsiveness (MLR) model

With leading projections in red; and operating (or impact) projections in grey

Source: author’s own construction.

Data sources: carbon footprint (green) and business performance (red) of BRECO in 2010 (see Appendix 10)



7.1. Findings

In this section, selected interview extracts are disclosed to illustrate the recurring patterns of green-EFF² compatibility at BRECO. The findings indicate that, in pursuing symbiotic compatibilities between green and EFF², the company explores and exploits synergies, is proactive in dealing with trade-offs and engages in ambidextrous initiatives.

7.1.1. The perception of symbiosis at BRECO

The interviews provide evidence of efforts to continuously strengthen the compatibility between green and EFF² throughout the business. In line with the headline of the annual report and accounts 2010: *'looking to the long term'*, the CEO argues that BRECO can become a *'business that treads lightly on the planet'*. He believes that business success and environmental responsibility *'are not mutually exclusive'*. With a view to becoming a *'carbon neutral'* (CEO) company, BRECO made a number of investment decisions based on the perspective of integrated green-EFF² benefits. £21 millions were spent on infrastructures, including the eco-efficient brewing system and the distribution centre. The CEO explains:

We made decisions to invest in the mid 2000s and we were quite fortunate at that time because the economy has since become difficult. But we did need to renew our infrastructures. Effectively, parts of the brewery were 100 years old. Our distribution centre was located in the centre of the town and we were having 50 heavy vehicle movements per day. So it's clear, partly because of our responsibility and our values to preserving this very beautiful place and partly because operationally it was very difficult to operate, we had to move. We were going to have to move and make investments anyway. At that point, as a board of directors, we said: 'let's make some investments that we can be very proud of and are going to support our values of trading more lightly on the planet'.

Innovative technological solutions have thus been acquired. The distribution depot gives an impression of natural identity; it blends with the 'greenness' of its location (OC) and illustrates the idea of BRECO creating and trying to sustain symbiotic green-EFF² compatibilities. The CEO comments on the long-term perspective of BRECO and its aspirations in terms of energy consumption:

If you look out to the future, this business is going to remove itself as much as possible from the national grid. It's going to be generating its own energy. It's not going to be polluting the atmosphere.

The Head Brewer corroborates the importance of controlling energy at the brewhouse:

In terms of the energy we put in, that side of things is controlled because it's a fairly modern brewhouse. We control the amount of steam we put in, the amount of gas that we use essentially in that process.

The findings indicate that the technologies and buildings purchased by BRECO play an important part in addressing various environmental and operational issues in a symbiotic way. The annual report indicates that BRECO achieved total carbon emissions of 3,464 Tonnes of CO₂ in 2010 down from 3,681 Tonnes of CO₂ emissions in 2008 despite the development of its activities. The Operations Director provides another example of environmental responsiveness related to water usage at the distribution depot:

The world is short of water. Every drop of rain that falls on this roof is never wasted, it is collected and used to flush the toilets here, provide water for the showers downstairs for the logistic staff. So, one, our water bill is nothing because we capture all around and, two, it's the right thing to do because it is not wasting natural resources as well. But it's not our reason for being; it's just the right thing to do.

While green is not the core business of BRECO, it is integrated as an imperative in discourses related to the theme 'symbiosis' and into ongoing business operations and strategy. The Head of Marketing specifies:

We have processes now, so we have [BRECO's] bottle which is green, we just can use that throughout. We've got the brewing manufacturers who also have green credentials and that runs throughout. So we have processes in place, we have trusted suppliers now who can help us. Once we've got the idea, then it's just about bringing in all the components.

The Retail Director comments on the importance of green thinking:

A shop here is built absolutely with nothing else in mind other than the environment, from the wood that we use, from the heating works, from the way the whole structures have been created. And for the shop that we move to, we look for buildings that can be regenerated, with goods that can be regenerated. The builders themselves have that in mind. Including all the features that we then buy in tide, we don't buy anything that

cannot be reused. We again buy equipment that we can move from one shop into another so we don't have to buy anything that can be wasteful. And then through the products, where possible, we look for local suppliers or suppliers with environmental credentials; whether they are Green leaf on wine, whether the green comes with biodynamic wines.

As this interview excerpt indicates, the scope of green thinking at BRECO reaches beyond the firm's internal operations to touch upon the broader supply chain. This translates into a penchant for trading with suppliers who have 'environmental credentials'. The CEO maintains that the company privileges wines coming 'from boutique wine makers who by large share [BRECO] environmental ethos'. The Retail Director comments of the food business:

We are currently about to cease trading with all our food suppliers in order to bring on environmentally friendly foods, so the ones that are either local or producing in such a way that it supports the environment. We are willing to sacrifice our current food business to introduce that because it's so important to us.

Efforts to green the supply chain are discussed by the Head of Marketing:

We are trying in the whole process to think about green credentials. So that includes: should we source foreign hops or foreign ingredients or should we source UK based stuff? Then as soon as you go into production, we have our leather glass light bottles and we've been looking to source an environmentally friendly kind of stocks. Wherever we can, we try to build in green credentials or green opportunities.

From the raw materials used to produce and bottle beers to the materials supplied for designing retail outlets and the profile of wine and food suppliers, BRECO endeavours to spread its green message throughout the entire supply chain. Environmental responsiveness is legitimised and founded upon an understanding of the business benefits it provides. The following excerpts illustrate this understanding:

What comes through really strongly is an understanding that actually protecting and delivering for the environment and the people that you work with delivers for your business as well (Retail Director).

What we do as a brewery, what we do as a distillery, what we do with our wines, how we operate the company, all have environmental credentials, testifying that we have got fantastic beers with good quality (Sales Director).

We rely on this environment to enable us to do what we do. So we have this respect; it is like a cyclical situation where you know the environment lets us produce beer. Therefore we look after the environment. It lets us produce more and it's a kind of cyclical type thing. So our green credentials in our scope of responsibilities towards society are very important (Head of Marketing).

As discussed above, parts of the existing business operations – e.g. brewing and distribution processes – offer amenities for synergistic compatibilities via technological solutions. In achieving or aspiring to achieve a symbiotic link between green and EFF² throughout the business, the company maintains its autonomy in dealing with green issues by operating beyond what is required by the law. The Head Brewer comments:

We went way beyond what we needed to do by quite a long way [...] I think it was more the culture driving that, it wasn't the regulation driving to put that brewhouse in.

The CEO asserts that BRECO may benefit from more stringent environmental regulations, hereby foreseeing a source of competitive advantage:

In the field of the environment, we think we're going further than we need to do. What we are waiting for is legislation to catch up and I think it is starting to catch up [...] I think, as the environmental legislation gets tightened down, if you can't comply, you are likely to have to pay for that. So, ultimately, there is an element of competitive advantage [...] because bigger carbon emitters would have to pay more.

Green, as an element of competitive advantage, also has a marketing function. The experience of BRECO in producing a carbon neutral beer facilitated the development of commercial relationships with supermarket chains. The CEO explains that the marketing of this beer has 'transformed commercial relationships with, for example, the big supermarket chains in the UK. We've seen a growth in there':

The market is growing anyway but we've been growing at about 25% with big supermarkets. That's because they see us as a business that has these credentials and there is a bit of reflected glory for them. They want that sort of behaviour in their supply chain companies. So the [carbon neutral] product was a great door opener for us but we have been able to follow in with our more conventional products or be it that we are still working hard on making it environmentally sustainable.

This interview extract suggests that BRECO's engagement in producing the carbon neutral beer serves two marketing purposes: inspirational and aspirational. On the one hand, BRECO is able to inspire trust and reliability as a sustainable company. The inspirational function particularly appeals to supermarkets in the off-trade market. On the other hand, BRECO aspires to build upon its know-how in the production and designing of eco-friendly beers and expand it across its product range. The CEO explains:

We're taking our learnings from [carbon neutral] products and we're taking that right across our product range. We will ultimately move to environmental product declarations for all of our own manufactured products which is a good thing to do.

The Head Brewer corroborates the long-term, aspirational function:

I think that the long-term view was actually to carbon footprint everything. So [the carbon neutral beer] was a test to see how we can do it. Because, most of the process [this beer] goes through is the same process everything else goes through. By doing [this beer], we know most of the footprint for everything else [...] We're trying to get to a level where we can accurately footprint all the beers and make them compliant with the latest legislation, to make sure that actually we're doing it the way we should do it.

The aspiration of BRECO to achieve green-EFF² symbiosis, permeated through the production of the carbon neutral beer, is reintegrated into marketing activities, the effect of which may be inspirational (commercial relationships) or aspirational (product design).

Overall, the interview excerpts provide evidence of an understanding of the potential benefits of green performance throughout the company. The understanding of the importance of green

is evidenced by the fact that ESR integration at BRECO is holistic. The green impact of the entire supply chain is scrutinized. Strategic decisions on technology development, the firm's infrastructure, procurement and marketing seek to integrate, and inform decisions about the integration of, green and EFF².

The Sales Director stresses the willingness of the company to stimulate progress in terms of environmental performance throughout the entire business:

I think [BRECO] is a business which will try to do as much as it can do to be carbon neutral, more than any business could ever achieve. We've got to push it as far as we can.

The Operations Director adds:

We did what we call a green shopping list and we looked at the payback as well because, clearly, we had a commitment to our shareholders – it's their money.

Green advancement is thus sought to be linked and add value to EFF². BRECO aspires to achieve a symbiosis. In the next section, the findings indicate that the potential of BRECO to serve the business through green – i.e. symbiosis – lies in its ability to continuously appraise what green can do FOR the business – i.e. synergy.

7.1.2. The perception of synergies at BRECO

As discussed above, green attributes have been integrated into investment and strategic decisions at BRECO. The company has built a capacity to signal sources of improvements in operations and environmental management. The Retail Director evokes the importance of exploring green-EFF² synergies:

It matters to us who, when, where we get our problems from, where our impacts on society and the environment lay and how we alleviate them. That's how we can contribute to society at large and to our business in particular.

The CEO comments:

In our business case, we built in a view that fossil fuels would continue to rise in price and businesses that pollute are going to have to pay for that pollution. So the less we need to rely in fossil fuels and the less we pollute, the longer term view is that this business will be well placed for the future.

BRECO built its business strategies upon the vision that ‘carbon emitters would have to pay more’ (CEO) which, together with the foreseen rise in the price of fossil fuels and possible reinforcement of legislation, constitutes premises for negative synergies between green and EFF² in business practice. Weak green performance generates higher costs for businesses. Synergies, whether they are positive or negative, are to be explored. As the CEO explains above, actions are most effective when they arise out of long-term strategies. A long-term vision enables to explore and account for the impact of environmental trends – such as the depletion of fossil fuels – on business.

The long-term business vision of BRECO enabled the implementation of concrete actions and plans intended to enhance green performance. A number of partnership initiatives are helping the company to explore synergistic improvements. Such initiatives notably involve the local University ‘to assess the supply and waste chain’ (CEO) and a Hop Association ‘to find an aphid-resistant hop that does not need oil-based insecticides or pesticides and could be grown locally’ (CEO).

BRECO also engaged in a joint venture partnership to install a bio digestion plant – i.e. ‘the process of using microorganisms to break down biodegradable material’ (report, 2010) – near the distribution centre. The CEO explains that the bio digester provides ‘a way of disposing of brewery waste (yeast) that was being mixed with water and washed effectively down the drain. That was leading to us having to pay the water company to put that product down into the suage system. But it was reaching nutrients and it was a good idea for us to be able to move that into an anaerobic digestion plant’.

The Head Brewer explains:

The long-term plan is still that they will take all our yeast and all our waste beer up there. At the moment, they just take a small amount to get their boats acclimatised basically. They are talking about putting another one down up there next year. That will generate more methane as well.

BRECO's eco-efficient infrastructures and technologies facilitate both the exploitation of green-EFF² synergies and the exploration of synergistic improvements. The material used to build the distribution centre is explained to be 'better than carbon neutral by locking up carbon, rather than emitting it' (report, 2010). In the same vein, the brewing system is entirely computerised which substantially reduced human activities and flows of material inside the brewery (OC). Areas of waste effluences and redundancies are thus minimised (report, 2010).

According to the Head Brewer, the benefits of the current brewhouse come mostly 'in terms of energy usage'. He specifies:

The energy recovery system at the brewhouse saves about 30% gas usage a year. There is also better efficiency in terms of raw material. We used to get about 90% of the sugar out of the grain. Now we get up to 96-97% so we use less grain and there is more efficiency there as well.

The CEO elaborates on the benefits of the eco-efficient brewery:

One of the benefits is that it enables us to use different raw materials and it enables us to produce many different styles of beers. So, whilst we have seen an increase in micro-breweries, we are taking market shares. Market is down by 4.4%. A year today, our volumes are up by 4%. So we've got about an 8% outperformance of the market. This is coming from new product development. In 2008, 4% of our volumes came from new products. This year, 22% of our volumes have come from new products. And, in beer terms, the new products are craft beer styles rather than traditional ale styles. So we are able to react and deal with market trends because we have a fantastic new brewery.

Environmental efficiency, according to BRECO's CEO, *'is a proxy for good business management. It means that we can produce new products and there is no higher cost for us to produce than if we were producing our traditional products'*. The brewing system illustrates the capacity of BRECO to exploit green-EFF² synergies with cost reduction as principal benefit. The Head of Marketing explains that the aspiration to achieve symbiosis *'comes to life through the bio digester, the hemp roof distribution centre, lighter bottles and the energy-efficient brewery'*. Synergies are systemised and have become a business routine.

The CEO comments on the salience of technological innovation in providing a mechanic solution for reducing CO₂ emissions:

The technology in itself means that you lower emissions and I am pleased to say that in our annual report 2010 our overall carbon footprint continues to come down even though we open more shops. How do we control it? Well, the brewery is very much a technological solution; it recycles a lot of heat that it uses. Boiling water is by far the most energy and resource intensive part of the brewing process. So the more of that we can retain, the better. In terms of the distribution centre, its contraction means that actually, to keep the products at the ambient temperature, the construction acts much more as a thermos. Making that thermos in the way it has been made means that we do not have to use any artificial heating or cooling. We have systemised these controls thanks to the technology.

[The architect of the distribution centre refers to it as an ultra-sustainable, eco-efficient building (Internet search)].

BRECO's plans are to further develop the exploitation of green attributes. The Sales Director indicates that these attributes are *'a part of the business which, overall, is still to come through to its full potential'*.

In some areas of the business, EFF² is challenged, provoking a negative effect on green. For example, the Retail Director indicates that internet sales are neither environmentally friendly nor operationally efficient:

When you talk from an efficiency point of view, I've got to say it's not. It's very poor on road miles. It's very poor on packaging. Costs are horrendous. It all came using 3 times

the packaging you would use on a standard product, if not more. Here is a good example of six standing glasses that we sell in the shop. This is for the internet to be delivered. The extreme of that packaging and the double thickness and everything is probably at least 3 times more than a normal pack.

The Head Brewer further points to the problem of production minima:

We've just finished the seasonal listing with a pub company for a particular beer that we brewed specifically for them. Because the listing comes to an end next week, we had to brew an extra brew to be able to fill the next two orders but actually the minimum volume was twice as much as we really wanted to be able to brew. So we did actually have to throw away some products. And that cost has to be picked up somewhere else. [...] From that brew, the raw material cost, that we've had to throw away, probably is £1,500. It's not massive but also it's an amount of material that, if we had a smaller brewhouse which could brew smaller volumes, wouldn't need to come to waste.

In this interview extract, the Head Brewer points to the fact that BRECO, despite the energy efficiency of the brewhouse, needs to brew a minimum quantity of beers to be able to brew anything. These production minima generate inefficiencies when the demand is lower than the quantity BRECO is bound to produce. Decision-making regarding this type of orders hence requires considering the compromise in terms of efficiency. The Head Brewer provides an example:

We're looking to export some more beer to America. They would like us to produce a 10% barley wheat style beer. They don't really want a huge volume, they just want a small bit, and it's more for generating publicity. Our minimum volumes are probably more than they would like to take. They would like to take a smaller volume than the volume we have to brew to be able to brew anything, there has to be a minimum volume. We haven't decided yet what we are going to do. We may well brew and just accept the fact that we will have to throw away a certain amount of beer before we package it but we haven't decided about that yet. It's obviously more costly because we've got to use the raw materials for the 100 barrels whereas we probably want only 60 barrels. We still have to cost all that raw material into that product so it makes it more expensive.

In summary, the findings indicate that BRECO exploits a number of positive green-EFF² synergies embedded in infrastructures (distribution centre) and technologies (brewery, bio digester). While the company gains market shares, reduces cost and is reactive to market opportunities, it strives to control and cap its impact on the environment, making significant savings in terms of carbon footprint. On the other hand, internet sales are discussed as an example of negative synergies because they generate inefficiencies in terms of cost, transport and packaging. Negative synergies are also found to emerge from production minima occasionally exceeding the quantity of products required to fulfil a demand – thereby generating inefficiencies in terms of waste, energy usage and cost. Providing both the existing environmental attributes at BRECO and the propensity of the company to explore and integrate synergistic improvements, the impact of negative synergies on the environment is marginal relatively to the total savings realised in terms of carbon emissions throughout the company.

7.1.3. The perception of trade-offs at BRECO

While synergies and symbiosis suggest a mutually dependent correlation between green and EFF², the discussion now considers trade-off effects in which green and EFF² are found to be incompatible. The Sales Director comments on the limitations of the ‘carbon neutral’ aspiration discussed above:

If you want to check it [referring to the idea of carbon neutral] all the way through the line, it could be difficult. I think you've got to make some judgements on how far a business can be judged to be carbon neutral.

The company’s carbon footprint analysis provided in Appendix 10 reveals the impact of BRECO’s activities on the environment. The figures recorded in this document are linked to activities which are internal to the business – i.e. distribution, production, retail, hotels and managed houses. The findings indicate that BRECO’s environmental responsiveness reaches beyond internal operations to address trade-offs in the supply chain.

As far as internal activities are concerned, transports – i.e. wine imports by ship, distribution of beer and kitchenware equipment by truck – represent the principal impediments to green

performance because they provoke a permanent trade-off with EFF². The CEO concedes that *'there is a trade-off there [in transports] all the time'*.

The Operations Director further indicates that *'the only thing left really, from an environmental perspective, is the transport situation'*. The Retail Director points to the distribution of kitchenware equipment as a major issue:

The most difficult area to consider is our kitchenware equipment [...] For example, at the moment, on kitchenware; we are not on a stage yet where we can get big deliveries to our centre and then big deliveries outside. What we are doing is we've got to take it from the suppliers to the stores and the carbon impact of that is significant. What you've got is 12 stores so that's 12 journeys [...] We are working to try to get only one journey...

The CEO emphasises the negative impact of transport on the environment and discusses potential solutions:

There is a trade-off because we have got trucks that run on diesel but there haven't been many alternatives to date. Now the team works very hard to make sure that we have as full of vehicles as possible. We route and schedule those vehicles very closely to ensure that they are used to their optimal. Plus, with our anaerobic digestion plan, we are going to move those vehicles to running on bio-methane so the environmental impact will be lower [...] We also need to ship the wine from around the world. Shipping is not the most environmentally friendly thing. So we are looking at ways of dealing with that. But our volumes are not strong enough at the moment in that sector to enable us to bring the wine over in bulk and then bottle in the UK.

In line with the CEO, the Operations Director explains that solutions to reduce the environmental impact of logistic process are explored:

Last year, we went into a partnership with a company... The outcome is that, at the bottom of the site, we have done an anaerobic digestion plant, the first of this kind in the world that produces green gas. There are nine in the country but they produce electricity. Ours produces gas straight to the national grid. By next March, we have been talking to several manufacturers and we hope to be in a position where we will buy no-fuel trucks. So the

gas that we are producing from the waste – which is actually organic – is transferred to the national grid. We will have a pipe from there to fill our trucks. So we hope to run our fleets on green gas [...] We plan to do that in 2012. We will install the filling station in 2012 and we will order two lorries in 2012. You have to have specific lorries to do that. I think the manufacturers may be Volvo or Mercedes that we are working with. That process is in train now.

The use of bio-methane fuel will however be limited to the availability of adapted filling stations. The CEO explains:

We will always have a Diesel tank as well on them. So there will be dual fuel so if needs be, they can switch over to Diesel if they can't get to a bio-methane filling station. Sometimes the distances involved are too long so if they can't get hold of it, they can switch over to Diesel.

Although the current distribution vehicles represent ‘*a relatively new fleet which is following the euro 5 or 6 or 7 emissions laws*’, BRECO is currently making steps towards more advanced environmental solutions (bio-methane fuel) than those required by the law.

Consistent with this approach and in an effort to continuously improve both green and EFF², the company is looking into the concept of biomimicry. The CEO comments:

We're also looking tentatively, we're not going to rush into it, but we're looking at the notion of biomimicry and developing a natural business. For example, one of the outputs from anaerobic digestion is that substances left are still reaching nutrients and could be developed as a fertilizer which we would give back to farms. In nature, there is no waste. In business, we take, make and waste. So there are two initiatives we are looking at and we will see how that informs our environmental and sustainability strategy as we go forward.

The CEO further acknowledges the negative impact of weather conditions on the company's environmental performance:

Early this year and at the back end of last year, it was very cold, snowy and icy. That means the business uses more energy. Round the anaerobic digestion, we have put half a mega watt of solar panels. That will generate the energy for the anaerobic digester and then the residual energy will be used to run the distribution centre from those solar panel.

Although more energy is needed to confront extreme weather conditions, the technology acquired by BRECO enables the company to produce its own energy and, therefore, cap carbon footprint.

As far as exogenous activities are concerned, the emphasis is placed on the environmental impact generated throughout the supply chain – particularly with regard to packaging, food and wine business activities.

An important source of trade-offs discussed by interviewees is the process of blowing glasses: *'by far the biggest part of the carbon emitting process'* (CEO) inherent in beer production. To alleviate this green gap, the company decided to reduce the weight of glass used in bottles in collaboration with the glass-packaging supplier. The CEO indicates that this initiative generates both business and environmental benefits:

We have worked with the supplier about 3 or 4 years ago. We came up with the lightest beer bottle on the market. We worked with the supplier to take 33% out of the weight of the glass. That has several benefits. One, you're not blowing so much glass so you save carbon there. Two, you can move more of them on the back of the lorry when you're bringing them to the bottler and to the retailer because they're lighter. So there are environmental benefits there. Although our sales are much bigger now, the amount of carbon we saved thanks to that light bottle was the equivalent of taking all of our sales teams, car drivers off the road in the year plus all of our staff drives to work. If we continue to run that saving forward, it will be larger because we are selling more products.

While the CEO suggests that BRECO *'is looking at other packaging solutions'*, the Head Brewer indicates that cost is a constraint to the possibility of extending the process of reducing the weight of glass bottles:

We haven't pushed that forward since then, partly because the cost of moulds is quite expensive. If we're going to change that to another, a lighter weight bottle, which we possibly could do, you need to buy new moulds which can be quite expensive, about £100,000 estimate. We did that four years ago so we need to get a return on the £100,000 we invested four years ago. That's probably another stage we can take.

The Head Brewer further points to a specific green-EFF² trade-off, endogenous to the firm, in beer production:

If you leave packaging aside, our next biggest impact is probably the CO₂ we put into the atmosphere from the fermentation room. That's probably our next biggest one. That's where we make the beer. So the yeast goes into the beer, turns sugar into alcohol and CO₂. Some of the CO₂ stays in the beer which is what the carbonation of the beer is. Some of that CO₂ is let off. That extra CO₂ that's being let off, and which we don't capture at the moment, just goes out in the atmosphere.

Yet again, addressing this trade-off requires financial investment:

We've looked at it. But again it comes down to cost because we are still a relatively small brewery. There is equipment you can get to capture that CO₂ and clean it up and turn it back into pure CO₂ which can be used elsewhere. But we don't have a use for it on site, because we don't carbonate our beer here because we don't package it, we don't have a need for CO₂ so we would have to then sell it on. So, the kind of breakeven point is probably about four times our size really in terms of getting a payback over 10 years. It's not just a question of transferring this CO₂; you need to clean it up. So it's quite expensive equipment to put in. There's obviously a compromise between the size of the brewery and when that amount of CO₂ that you produce makes it worthwhile (Head Brewer).

The findings suggest that green-EFF² trade-offs related to both bottle manufacture and the fermentation process may be addressed through the acquisition of innovative equipment. In turn, investment in innovative technologies to produce lighter glass bottles (mould), capture and clean up CO₂ emissions stemming from the fermentation process needs to incur a payoff. The implication is that progress in environmental responsiveness ought to be synergistic with economic performance.

In the following interview excerpt, the Retail Director discusses the process of selection of food and wine suppliers:

We've ditched all our suppliers and we are now getting all made by the same supplier locally. We give the supplier, for our branded products, five points to follow in production of the product. One of them was to put a limit of the miles the product had to come to be manufactured. So if they are using raisins, we set a limit of how far they have to get these raisins from. We set a limit for the number of products that have to be locally produced that were involved in our products. 70% of the material they use for our products has to be locally sourced. Locally sourced was basically starting in the centre of London. What we've done is we have transferred all to it. Since then, we've launched our new products following those five principles and with the local supplier. In addition, we're dropping everybody else which is not great for them but it is the right thing for us to do because we don't have vast quantities of these products, we don't have a great number of shops. What we were finding is that it was very ineffective and very environmentally unfriendly to get these products delivered because we were to have them delivered to 14 shops on 14 different vans three times a week. It's just a ridiculous scenario really. So what we've done is call all of that off.

Locally sourcing food supplies enables BRECO to reduce the environmental footprint and improve EFF² in the context of distribution processes. The Retail Director elaborates on BRECO's relationship with wine suppliers and the use of 'Green Leaf' – an international standard for green performance:

We have something called Green Leaf. It more or less represents our version of either biodynamic or organic or controlled environment where we can be proud we're taking our wine from. That's what the Green Leaf does. The reason why we've introduced the Green Leaf is because, in many countries, to get yourself accredited, whatever they see as being the right measure is very, very expensive and we use a lots of very small suppliers so they won't go in for accreditation. So they might not use pesticide, they might have everything manually picked, they might have all of what is needed to give them the right credentials but they just don't have the money to get themselves accredited. What we do is introduce Green Leaf and explain why we've given it to them.

BRECO is hence looking to tighten its relationship with packaging, food and wine suppliers with a view to addressing green-EFF² trade-offs in the supply and waste chain. The Retail Director corroborates the existence of trade-offs yet points to the willingness of BRECO to continuously improve and mitigate its impact on the environment:

I think there's already compromise there so I wouldn't say there's not because there are. All the products that we sell aren't ideal as we would want them to be. But we're as near as we can get. I think there's already that compromise there. I think the difference is: we think about it.

The findings indicate that BRECO aspires to continuous improvement throughout the supply chain. The company applies green solutions when they arise and if they make business sense. The Operations Director evokes the progress of BRECO in consolidating its green agenda:

The first wave of innovation was this distribution depot; the second wave was the brewery; the third wave is now transport because that's now our biggest carbon emitter [...] we are always trying to do our best and looking towards improvement.

The Head of Marketing corroborates the need for further efforts:

It will require the investment of both money and time to get [BRECO to the symbiotic stage]. It will take a lot of monitoring because the world is becoming much stricter on claims of being carbon neutral, making it more highly legislated. I think we can get there [...] It will require investing in new technology to monitor it.

In summary, the exploitation of green-EFF² synergies embedded in infrastructures and technologies, the exploration of synergistic improvements and the inclination to identify and address existing trade-offs are signs that BRECO seeks to consolidate the link between green and EFF². While the company's existing technologies and infrastructures (e.g. eco-efficient brewery and distribution centre, bio digester) offer advanced green-EFF² operational compatibilities, a number of prospective improvements and investments (fermentation process, weight of glass bottle) are identified. Their integration is explored on the basis of their propensity to provide a return on investment.

The importance of green at BRECO is further evidenced by a broader understanding that green may be separated from EFF². The following section presents evidence that the company engages in ambidextrous initiatives.

7.1.4. The perception of ambidexterity at BRECO

The activities of BRECO in favour of the environment are not limited to interventions on issues which have a direct impact on the business. The value of green extends to allow the practice of philanthropic initiatives which, by essence, are not intended to provide business benefits but to demonstrate the company's stakeholder engagement. The CEO comments on the coastal cleaning activity in which some employees are engaged:

The approach was that it would be a good idea to demonstrate our sort of stakeholder engagement, our responsibility towards community, to use [BRECO] staff at the weekend to clean the beach a couple of times a year before the tourists arrive and then clean up after they've gone at the end of the summer. That has developed into something that has some shareholder support, some consumer support.

The Sales Director comments on these philanthropic initiatives:

[BRECO] is very proud of [REDACTED] and where it's from, it all links in. It's not about doing it for the sake of doing it. It's doing it because it's the right thing to do. It's about looking after community, looking after the environment, that's what all people should do wherever they live.

BRECO demonstrates a genuine attachment to its environment through green philanthropy. The aspiration to achieve green-EFF² symbiosis legitimises the practice of philanthropy; the assumption being that such ambidextrous initiatives will benefit the business in the future:

The environment gives us what we need to make beers so we take care of the environment because the long-term survival of BRECO depends on it (Head of Marketing).

While philanthropic initiatives arise out of employees' commitment and, hence, constitute an internal construction, a different type of ambidexterity is identified at consumption level. The Head of Marketing concedes that green credentials fail to drive consumption:

Green is not necessarily the key motivator for consumers [...] When beer is concerned, people buy based on taste. The most important thing that they are concerned about is taste, then you get price and then you get green credentials. Green is a complicated thing to understand but in the context of beer it is not enough [...] You have to remember those kinds of pro-environmental activities are going to bring advocacy but are not going to develop sales. So somebody might love [BRECO] but buy nothing. So it's kind of balancing brand profile with actual commercial return as well.

This excerpt indicates that green credentials are not a priority to beer consumers. Taste and price are primary concerns. The Head of Marketing refers to consumers' expectations as 'value related'. She comments:

What we recognise is that people are willing to spend a bit more if they think it's worthwhile. They're happy to have less of something that is of better quality rather than having a lot of things that are kind of mediocre. I think value is a key selling factor.

The mitigated response of consumers toward the carbon neutral beer provides evidence of uncertainties in the marketing of green products. The Head Brewer comments on the creation of this beer:

We had a relationship with Tesco and that was kind of growing. They asked us if we can do a carbon neutral beer based on the fact that we have done these kinds of environmental initiatives. So we looked at it, we designed a beer that had as low impact as it could really. It was a conversation between Tesco and our Sales Director. The beer was designed to try to have a fairly minimal impact [...] The vast majority of carbon footprint is in the glass really. 30% of the actual footprint is in the glass [...] We carbon foot printed all the way through and then offset the remaining bit. I think offsetting has a slightly bad reputation. It's essentially paying someone else to reduce their carbon footprint. Although we reduced ours by putting the new brewhouse and all that sort of stuff in then back and tell people that you've been offsetting, I think clarity just clouds a

little bit. It's much better to try to continue to reduce your own footprint rather than do that through offsetting.

The findings suggest that, while the production of the carbon neutral beer responds to a commercial opportunity, the practice of CO₂ offsetting may have weakened the marketing effect. The Sales Director explains:

It's saying carbon neutral on the beer. But I think consumers don't quite understand it, that's the problem. It's not really performed... It initially did. It gained some interest. But I don't think it stayed in people's front of mind whereas a lot of other beers have come through which are may be more the kind of flavours people wanted from their beers. I don't think it's seen as a beer having flavour. People may understand that carbon neutral means that there was something missing from that beer.

This excerpt suggests that consumers lack information, or are misguided, about the meaning of green. The Head Brewer further points to the failure of the green 'lager style' beer to meet consumers' expectations:

I think [the carbon neutral beer] is a good example of a lager style beer. And if that's what you like, I think you should hopefully like that beer. But I think most people who buy [BRECO] see us as an ale brewery and because we don't communicate on that pack, on the actual presentation that it tastes like a lager but rather on the environmental bits, I don't know that anyone buying it would expect that it tastes like a lager style beer.

The taste and quality of the 'carbon neutral' beer do not meet the ale standards typically produced by BRECO. The Head Brewer explains that the price of the beer may also dissuade consumers:

It's relatively expensive for a lager style beer [...] partly because of the process we would put it through. Partly because we offset that as well so that's included in it.

The findings thus reveal that the 'carbon neutral' beer failed to meet consumers' expectations in terms of both quality and price. The Head of Marketing indicates that environmental credentials are 'a helpful contributing factor to the consumers' decision-making but it's not

the lead motivator. It might be number three or number four on the consumer's check list'. It follows that the impact of green credentials on consumption is too marginal to be synergistic. In spite of this marginal impact, sales 'have been very strong over the last five years' (Sales Director). The CEO specifies that: "in a market that declined last year by 8.1%, we grew by 9%.'

BRECO accommodates to the idea that green holds a neutral impact on sales: *'environmental activities are not going to develop sales [...] they are not our reason for being'* (Head of Marketing) yet *'are not unpopular'* (Operations Director). The marketing strategy of BRECO to boost sales is principally articulated around taste and quality. Green is thus interpreted to be ambidextrous to sales performance.

The involvement of BRECO in a joint venture company to exploit the anaerobic digestion plant constitutes yet another form of green-EFF² ambidexterity. The CEO comments on the purpose of the bio digester:

We looked at this and thought about it as being essentially about food waste. So why don't we talk to our pubs, our hotels and other businesses within a 25 miles radius of [BRECO] plant and bring back their food waste. The anaerobic digestion plant makes money in two ways. It charges a gate fee for things that get going into it. This gate fee is set at a lower level than the landfill tax so it's cheaper for businesses to put it into the anaerobic digestion rather than landfill it. But also, it makes money from selling bio-methane to the national gas grid. We formed a joint venture company with [the Group] and that was because [this group] had some new technology in that the anaerobic digestion tanks are buried under ground and laid horizontally. Often anaerobic digestion tanks are vertical [...] This meant that we had effectively an SME and we were able to apply for and were successful in getting a European grant. We formed a joint venture company; got the European grant and then the joint venture company went to borrow the remaining funds from the banks. [BRECO] PLC stood behind that as a guarantor but it doesn't appear on [BRECO] PLC balance sheet or anything such as that. It's actually on the balance sheet of [BRECO] Bio Energy. It's being successful in that it's working effectively although we are not yet injecting gas to the grid on a regular basis because we had problems with some gas clean up kit. Ultimately, and we already placed an order for a gas filling

station, we are going to run our commercial vehicles on bio-methane. So in the longer term, that gives us the opportunity to move from Diesel to bio-methane.

This excerpt indicates that the bio digester not only provides green-EFF² synergistic solutions in such areas as transport and waste management but also converts food waste produced by local businesses into energy that it sells to the national grid. The CEO specifies that the bio digester is *'taking 12.5 thousand tonnes of food waste in a year. If that food waste was put into landfill, you can create methane gas which is a very potent greenhouse gas. It's the equivalent of around 50,000 tonnes of CO₂'*. The management of the anaerobic digestion plant bestows to a joint venture company involving BRECO. This eco-friendly waste management system constitutes a form of green-EFF² ambidextrous activity which has a positive effect on green; yet its core purpose is not linked to the core business activities of BRECO. It is considered by the Chairman (Report, 2010) as a valuable asset for the future. The bio digester partnership, the chairman says, contributes to grow the company's reputation of *'leading advocates of business sustainability'*.

In summary, the findings indicate that BRECO's engagement in environmental initiatives may provoke ambidextrous effects with EFF². Philanthropic (beach cleaning) and partnership (food waste) initiatives, as well as the marketing of the *'carbon neutral'* beer, are discussed to be unrelated to the business performance of BRECO. These environmental activities, although principally ambidextrous to EFF², may however contribute to consolidate the compatibility between green and EFF² in that:

- Beach cleaning reverberates with the long-term aspiration of BRECO to achieve green-EFF² symbiosis, although it is not viewed to have a direct impact on BRECO's performance;
- Engagement in a joint venture company to exploit the anaerobic bio digestion plant is expected to improve the management of internal waste although it primarily aims to manage external food waste.
- The marketing impact of green credentials is found to be marginal on consumption yet has not only generated improved commercial relationships and but is also offering prospects for developing a greener product range.

Finally, the empirical evidence presented in this Chapter demonstrates that ESR is integrated in strategies and operations in varied forms. BRECO's managers converge on the idea that the

Brewery aspires to achieve a symbiosis between green and EFF². While green and business performance are found to produce a constant trade-off (in terms of carbon emissions), BRECO seeks continuous improvement to reduce and/or cap its environmental impact whilst engaging in ambidextrous activities. Green-EFF² synergies are not only exploited (notably in the form of eco-friendly infrastructures and technologies) but also explored to continuously strengthen the compatibility between green and EFF²; whether they relate to marketing (product design), production (fermentation process), distribution (bio-methane), retail or hotel activities. The implication is that BRECO's aspiration to become carbon neutral may come true when the positive environmental impact of synergies will reach or exceed the negative environmental impact of trade-off scenarios.

7.2. Reconnecting with theory

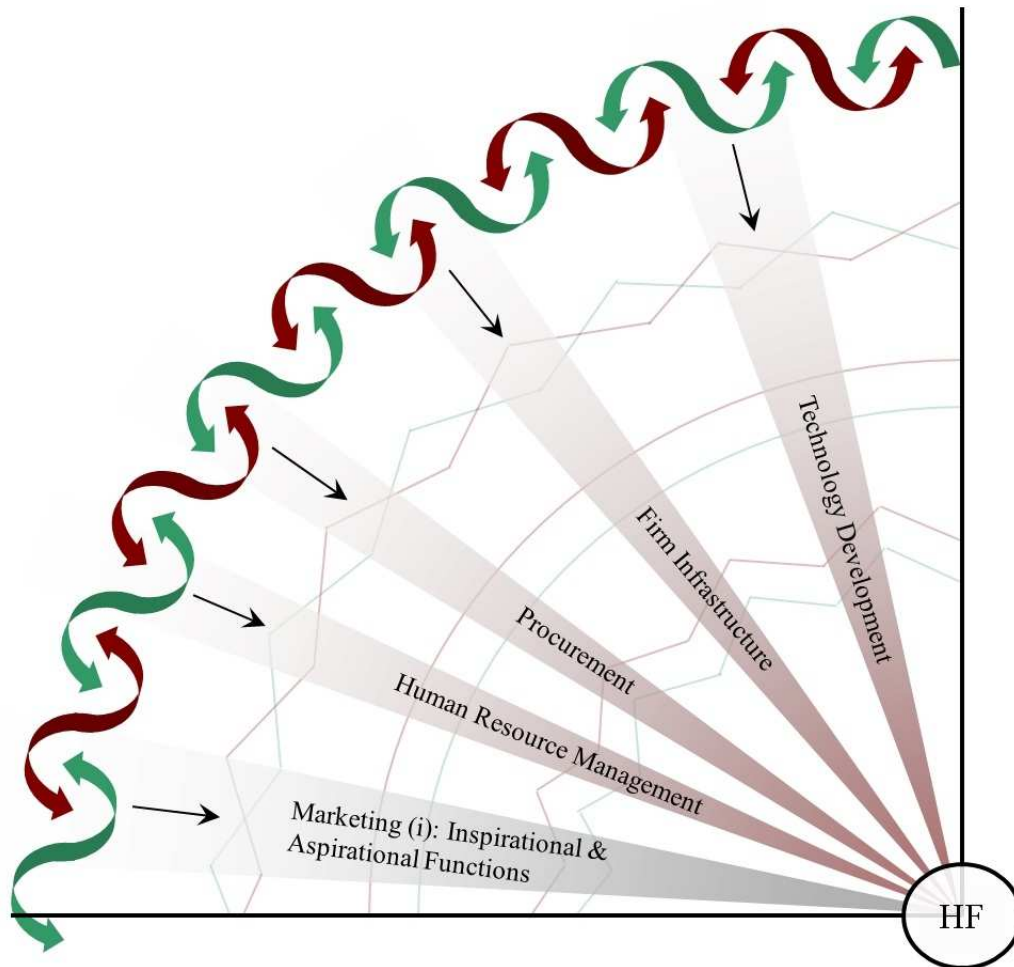
The discussion now reconnects findings with theory to specify the construct of the MLR model (Figure 12, p. 194).

7.2.1. Aspiring to symbiosis

The findings indicate that green is conceived by BRECO business leaders as an imperative for designing operations and strategies. Meeting environmental targets, in line with Chertow (2000), is integral to BRECO's conception of EFF² which gives rise to the leading projections emphasised in Figure 13.

Figure 13. Focus on BRECO's vision: aspiring to green-EFF² symbiosis

Source: author's own construction.



The firm's aspiration to create and sustain symbiotic green-EFF² compatibilities influenced investment decisions about infrastructures and technology development. This notably led to the construction of an 'environmentally friendly' distribution centre in 2006 and the installation of an eco-efficient brewing system in 2007. These investment decisions were driven equally by business sense and environmental credentials. The CEO highlights BRECO's value-oriented business model:

We wanted to make some investments that we can be proud of and are going to support our values of trading more lightly on the planet.

Personal values of BRECO's decision-makers are thus inspiring high concerns for environmental issues. They illustrate what Schwartz (1992, 1994); and Fritzsche and Oz (2007) refer to as altruistic values positively associated with ethical behaviour and enhancement of society.

BRECO is an illustration the changing UK business cultures in light of the climate change challenge (Wehrmeyer et al., 2009). The pro-environmental mind-set emerged in the early 2000s with the arrival of the current CEO in the Board of Directors. His role in instigating ESR changes has been critical; particularly in exploring potential synergies between green and EFF². This converges with the argument of McNulty and Davis (2010) who contend that ESR integration is mostly the job of CEOs. The CEO's guiding values, insights into the relationship between sustainability and corporate strategy and visions creates a business model that champions ESR changes, enables to mobilise employees and suppliers, and convinces shareholders – in line with McNulty and Davis (2010). The influence of normative compatibility (Tornatzky & Klein, 1982) between green and EFF² permeates to the leading, or secondary (Porter, 1985; Porter & Kramer, 2006), business activities. Decisions on technology development (brewing system), infrastructure (distribution depot), procurement (sources of materials) and human resource management (leadership and staff commitment) are devised to create an interdependency between the company's environmental responsibility and its operational and strategic efficiency and effectiveness (see Figure 13). While green is not the 'reason for being' (Head of Marketing) of BRECO, it is emphasised as '*the right thing to do*' (Operations Director) – which feeds back to the definition of effectiveness by Drucker (1954).

The findings place a strong emphasis on the role of strategic leadership in building strong stakeholder values and inspiring high concerns for environmental issues – a phenomenon highlighted in previous research by, e.g., Sully de Luque et al (2008); and Waldman and Siegel (2008). The idea of creating “a vision for the future” discussed by the CEO links back to the idea of aspiring to an eco-effectiveness business model “that sees commerce as the engine of change, and honours its need to function quickly and productively” (Braungart & McDonough, 2008, p. 150).

BRECO's transformational and distributed leadership model facilitates the involvement of all employees in reifying the company's driving principles. Consistent with Porter and Kramer

(2006); and Cho (1994) and in line with the “implicit assumption” of Pfeffer (2010, p. 42), the dynamics between human factors, physical factors and operating factors determine the ability of BRECO to innovate and strengthen the link between green and business performance. The approaches to decision-making and leadership discussed above create a business context in which managers and employees are committed to enhance green performance. According to the Operations Director, BRECO establishes ‘*a green shopping list*’ when deciding on the design of infrastructures and operations. BRECO business agents are stimulated to seek responsible usage and management of physical factors – e.g. raw materials, infrastructures and the wider business environment – and reduce the environmental impact of operating factors – otherwise referred to as a firm’s primary activities by Porter (1985; 1990), with Kramer (2006). To illustrate the predominant influence of HF internal to the company in driving green-EFF² maturation, evidence suggests that complying with regulations is not the main motivation. BRECO chooses to be proactive and go beyond environmental regulations to provide strong environmental responsiveness – a pattern of ESR integration discussed by Reinhardt and Stavins (2010); Roome (1992), Aragón-Correa (1998) and Siegel (2009).

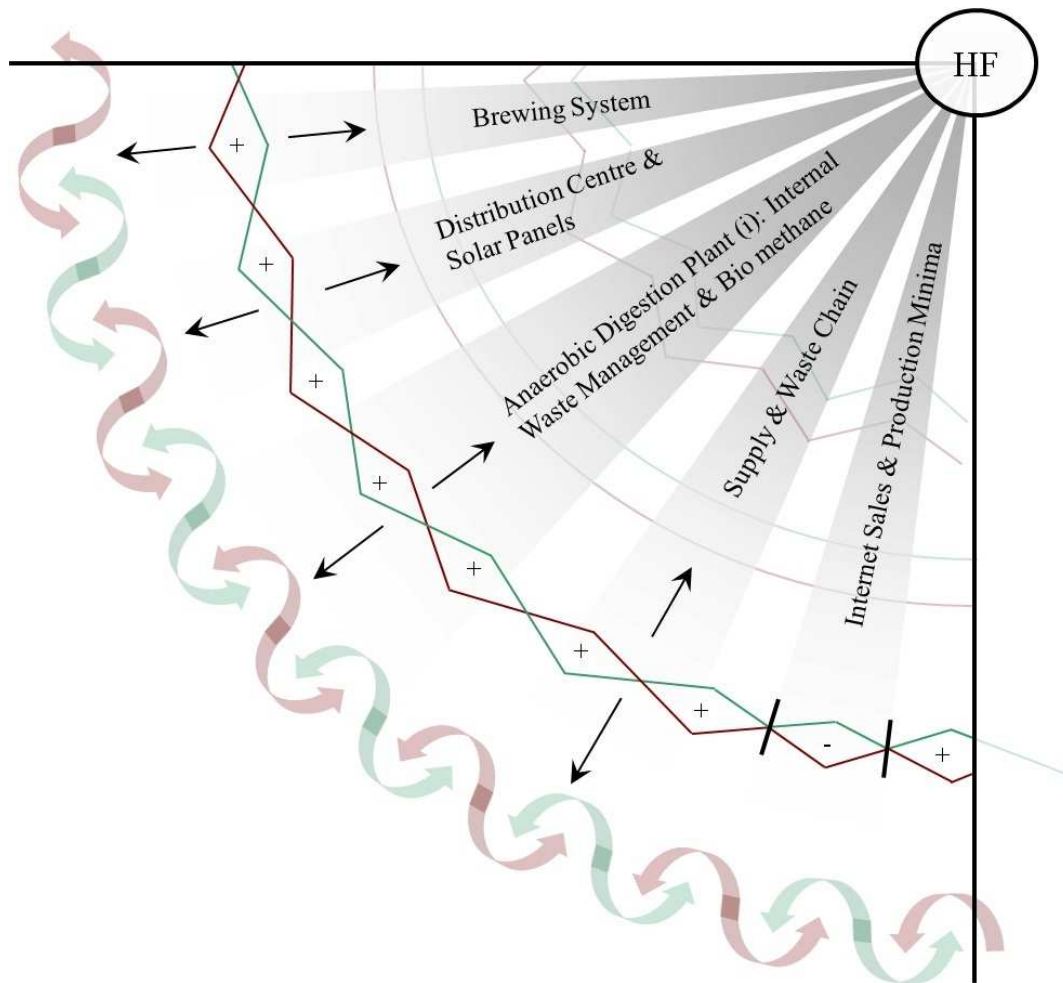
The positive effect of environmental ethos further translates into inspirational and aspirational marketing functions. The production of a carbon neutral beer is found to have strengthened the relationship of BRECO with big retailers. BRECO is arguably amongst the companies who, according to Siegel (2009); and Siegel and Vitaliano (2007), inspire trust and reliability as sustainable companies – i.e. inspirational function. The Brewery also aspires to use the carbon neutral experience to diffuse the practice into all of its manufactured products – i.e. aspirational function (see marketing (i) projection in Figure 13, p. 218).

7.2.2. Exploiting synergies and mitigating trade-offs

Synergistic improvements – referred to as the creation of “synergistic value” by Kurucz et al. (2008, p. 93) – take effect at the bottom left quadrant of the MLR framework (Figure 12, p. 194). In shifting to a long-term business perspective, BRECO developed a willingness to explore and understand the benefits of ESR to the business. The company is now able to reduce its environmental impact while improving business performance. These skills are sketched in Figure 14 in the form of operating projections.

Figure 14. Focus on BRECO's skills: exploiting synergistic improvements

Source: author's own construction.



The findings indicate that the company anticipated the rise in the price of fossil fuels and the reinforcement of legislation around environmental issues. In line with Porter and van der Linde (1995a, 1995b) who praise the benefits of pollution prevention on business performance, this view gave rise to a conviction that preventive actions, in the form of synergistic improvements, ought to be found and exploited. The acquisitions of eco-efficient Brewing system and distribution centre are evidence that BRECO is now exploiting positive synergies between green and EFF² – with cost reduction being the main positive effect on business performance. For example, the new brewing system needs just 3.1 pints of water to produce a pint of beer. By contrast, the industry average in 2006-7 was 8 pints of water to make a pint of beer. In a similar vein, the construction of the new distribution depot was executed with innovative materials now enabling the firm to save 50% on electricity and gas

and constituting substantial cost savings. While consequently reducing cost, BRECO gained 4% market shares in a market that is down by 4.4%.

Synergistic improvements enable congruous green-EFF² progress in relation to both operational – i.e. synergies are systemised, embedded in production processes, technologies, and infrastructures – and market contexts of performance. BRECO is capable of responding to market trends, develop/adapt product range while capping production cost and carbon impact to a relatively low level. It follows that, consistent with the win-win paradigm (Ambec & Lanoie, 2008; Carter & Rogers, 2008), the investments of BRECO in reducing pollution are offset by gains made elsewhere – e.g. cost efficiency, market effectiveness.

Synergies are exploited on the supply side and packaging processes – see supply and waste chain projection in Figure 14 – with the decision to introduce lighter weight beer bottles generating lower carbon footprint and better efficiencies in distribution processes. The lighter packaging alternative enabled to (i) reduce the pollution generated by the glass bottle manufacturing process; (ii) optimise the efficiency of logistic processes and reduced inherent CO₂ emissions; and (iii) reduce the impact of products disposal on the environment.

The bio digestion plant contributes to the existing momentum of synergistic improvements. It not only produces gas that is transferred to the national grid but is conducive to greener waste management solutions. In term, all the waste and yeast generated by production processes will be put through the bio digester to produce energy. These synergies are found to emerge mostly in the form of green generating cost reductions, in line with Carroll and Shabana (2010); Siegel (2009); and Siegel and Vitaliano (2007).

To create favourable premises for profitable pollution reduction and develop improvement capabilities (Womack et al., 1990), BRECO used various partnership routes. For example, the company worked with a University to assess the supply and waste chain and with a Hop Association to find an aphid-resistant hop that does not need oil-based insecticides or pesticides and could be grown locally. In addition to external partnership solutions, BRECO developed internal competencies. Transformational/distributed leadership and team working approaches to human resource management facilitate the exploitation of synergistic improvements. All employees throughout the business are encouraged to propose EFF² solutions which accommodate BRECO's environmental ethos. All Interviewees emphasise the role of staff in driving green-EFF² performance and informing innovation capabilities.

BRECO's employees are not only aware of change in operational processes (McDuffie, 1995, 1997) but are proactive in fostering green-EFF² performance. The development of '*an informal team working structure, based around a strong set of organisational values*' (CEO) seeks to facilitate employees' commitment in order to effectively reify environmental ethos. This form of business structure contrasts against the neo-taylorist milieu which, according to Pruijt (2003); and Bruce et al. (2011), tends to exploit, de-skill workers and constrain ESR integration.

While environmental responsiveness is embedded into strategic thinking and technologies, BRECO's environmental performance is challenged by transient, negative synergies between green and EFF² generating business inefficiencies and waste accumulation. For example, the findings suggest a trade-off between market reactivity (effectiveness) and production efficiency. The brewing system is set to produce a minimum amount of beers which is referred to as production minima in Figure 14 (p. 221); in turn, production minima may occasionally exceed the amount required to fulfil a specific order. It follows that BRECO might be constrained to use raw materials and energy inefficiently in order to effectively respond to market opportunities. These transient, market-driven decisions and concomitant resource inefficiencies challenge the idea discussed by Simons and Mason (2003); King and Lenox (2001a); and Ambec and Lanoie (2008) of achieving lean and green throughout the entire business. The financial loss incurred in production inefficiencies is however too marginal to constitute a case of "ephemeral profitability", as defined by Mouzas (2006, p. 1127). The findings indicate that internet sales constitute another instance of negative synergy. They are considered to be the most inefficient and environmentally harmful activity of BRECO. Yet, the company is seeking to change the delivery processes used for internet sales to provide better efficiencies and reduce carbon footprint.

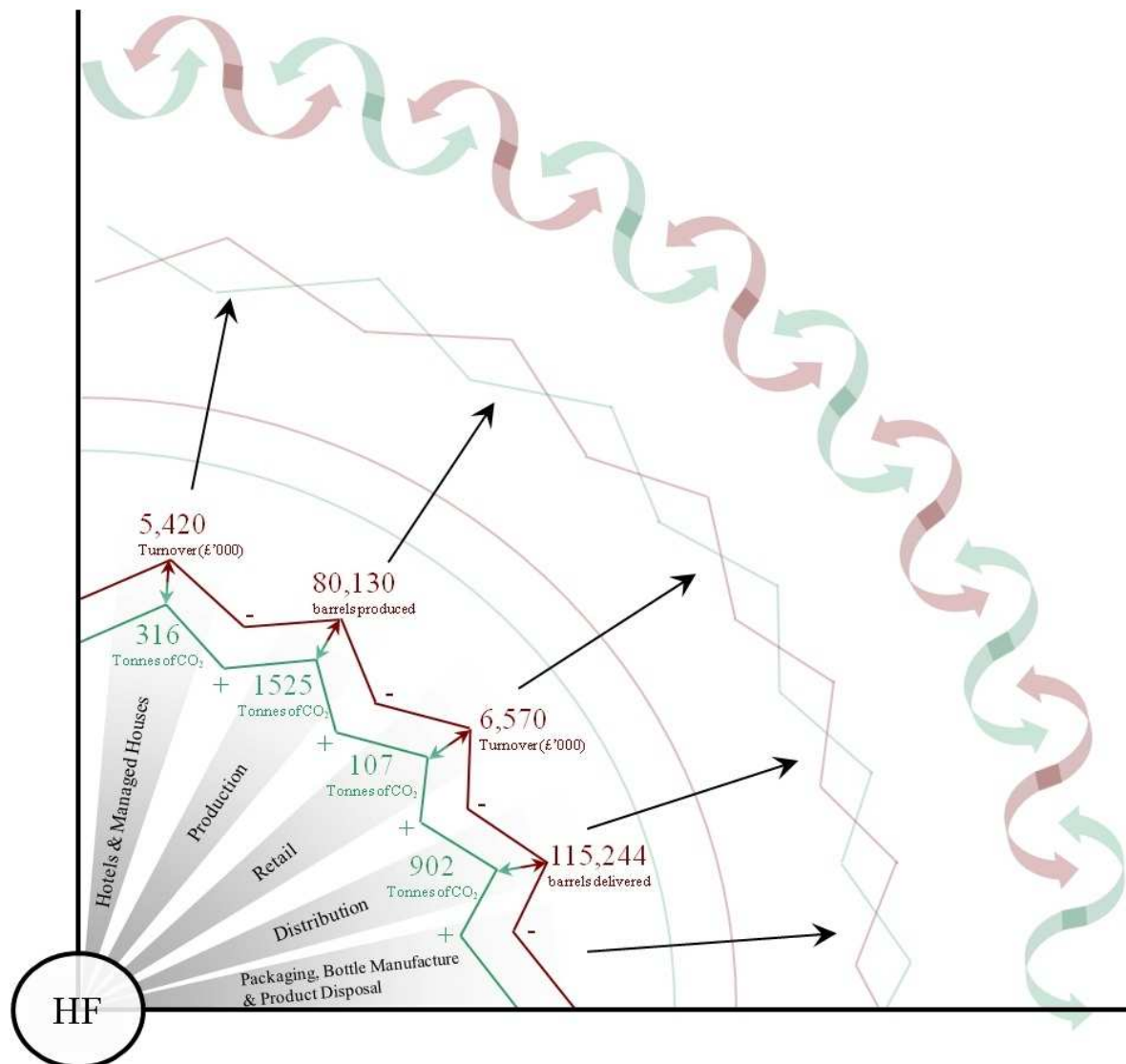
In summary, although negative synergies are identified, the analysis suggests a predominant devotion for integrating innovative solutions to operate efficiently and effectively while treading as lightly as possible on the environment. Synergistic improvements are proposed to reflect BRECO's aspiration to "sustainable profitability" (Mouzas, 2006, p. 1127), reinforce the green-EFF² maturation effect and ultimately attenuate trade-offs in operations and the supply chain.

7.2.3. Identifying/quantifying trade-offs and exploring synergistic improvements

The approach of BRECO towards trade-offs between green and business performance is depicted at the top right quadrant of the MLR framework highlighted in Figure 15. The diagram sketches the impact of different contexts of performance on the environment – i.e. hotels, managed houses, production, retail, distribution. Packaging operations, bottle manufacture and disposal are also integrated as important sources of trade-offs between green and green and EFF². Details of the carbon footprint analysis carried out by BRECO are provided in Appendix 10.

Figure 15. Focus on BRECO's actions: reducing trade-offs

Source: author's own construction.



As opposed to businesses who perceive green as a transient strategy and are, thereof, reluctant to instigate green improvements (Hahn et al., 2010; McCrea, 2010), the findings show a willingness from BRECO to act upon trade-offs. Consistent with Porter and van der Linde (1995b), the strategic focus is on continuous green innovation and improvement capabilities. For example, the company is currently taking steps towards the use of green gas (also called bio methane) to fuel the fleet of transport vehicles. The use of green gas is predicted to constitute a form of synergistic improvement in logistic operations. The effect will be a reduction of the impact of distribution on the environment. This is sketched in Figure 15 in the form of arrows leading from the trade-off pattern to the faded synergy pattern.

The idea of exploring synergistic improvements further translates into the intention of BRECO to look at the notion of biomimicry notably discussed in the work of Hawken et al. (2002). The aspiration of the company is to turn waste into renewable energy. To do so, BRECO plans to use partly the bio digester and, with the residual waste, develop a fertilizer which would be given back to farmers.

A reinforcement of trade-off effects is predicted by interviewees; the cause of which rests on an increase in business activities and concomitant development decisions. Development initiatives will provoke a rise in total energy usage, notably due to longer opening hours of stores and intensified distribution processes. In 2010, BRECO installed a distillery and began the production of Gin, Vodka and Whiskey. These development decisions, together with more extreme weather conditions (especially at the beginning and end of the year), are expected to generate a higher carbon footprint. Yet again, BRECO strives to control and cap its energy usage. For example, solar panels are expected to produce a sufficient amount of energy to run the distribution centre and the bio digester.

Overall, although existing business activities incur a number of important trade-offs between green and EFF^2 , the prospect of exploiting eco-friendly technological features sets optimistic premises for reducing the negative impact of business activities on the environment. The actions intended to address the impact of transport and glass-packaging on the environment are signs of green- EFF^2 maturation. BRECO seeks solutions to turn major trade-offs between green and EFF^2 into marginal ones and, to do so, envisions synergistic solutions (as sketched in Figure 15). Consistent with Waldman et al. (2006), the level of commitment of BRECO is epitomised by the use or aspiration to adopt clean energy (solar panels), alternative fuels (bio methane) and recycling (brewery waste, water), as well as the derivation of substantial

benefits from products that promote or generate environmental benefits (e.g. carbon neutral beer inspiring reliability and informing eco-efficient production).

A number of trade-offs are discussed to require further financial investment. They principally relate to bottle manufacture and brewing process. Regarding bottle manufacture, the findings suggest that BRECO could expand the process of reducing the weight of glass bottles. However, the moulds needed to produce lighter bottles are deemed too expensive. As far as the brewery is concerned, the fermentation process is found to be a strong carbon emitter. Yet again, the equipment needed to capture and clean up CO₂ emissions is deemed too expensive. This links back to the observation of Robèrt (2002) that energy systems (or new technology) are usually expensive and the transition to new energy systems cannot be made until they are fully developed. The lack of adapted filling stations, for instance, will limit the usage of bio-methane.

Previous research (inter alia, Christmann, 2004; Hahn et al., 2010; King & Lenox, 2000; Selsky & Parker, 2005) further point to potential trade-offs and conflicts among companies within industry sectors and with other sector level. Proactive in dealing with regulations and operating above industry standards (Aguilera et al., 2007; Carroll, 1979) – mostly thanks to eco-friendly infrastructures and technologies – BRECO manages to avert these potential trade-offs. The findings indicate that the company seeks to adopt more advanced solutions than those required by the law.

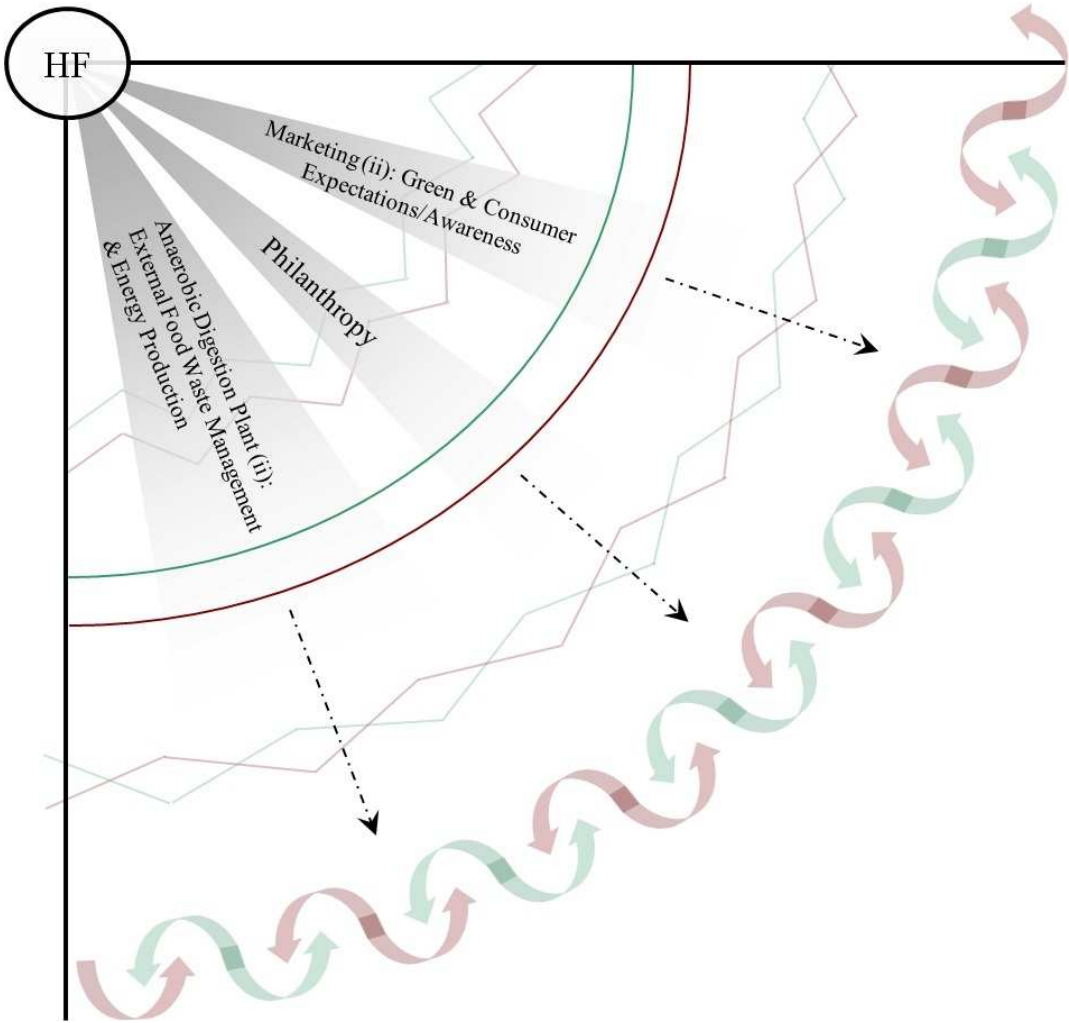
Overall, BRECO endeavours to reduce the impact of emerging trade-offs in operations and throughout the entire supply chain by envisioning potential synergistic improvements. As suggested by the MLR model (Figure 12, p. 194), these improvements ought to generate a double effect: (i) enhance green; and (ii) harmonise with EFF² (e.g. preserve or improve the efficiency and effectiveness of distribution processes). BRECO's maturation effects extend to the company's approach to green-EFF² ambidextrous effects.

7.2.4. Engaging in ambidextrous activities

The bottom right quadrant of the MLR framework emphasised in Figure 16 captures three forms of ambidextrous projections: marketing (sales and consumer information), philanthropy and food waste management. In contrast with trade-off and synergistic effects, the

ambidexterity scenario does not infer a link between green and EFF². The firm’s engagement in green marketing, environmental philanthropy and partnership activities (e.g. anaerobic digestion plant) indicates a propensity to propose environmental responses which are not directly related to the business contexts of performance.

Figure 16. Focus on BRECO's engagement
Source: author's own construction.



The findings suggest that green credentials are not a primary stimulus for consumption. The carbon neutral beer is found to appeal to consumers who are sensitive about environmental issues. This logic is embedded in the study of Russo and Fout’s (1997, p. 539) on the link between corporate environmental performance and “intangible resources”. The marginal link between green and sales discussed by interviewees is also found in the studies of Aupperle,

Carroll, and Hartfield, (1985); Guerard, (1997); Ullman, (1985); and Waddock and Graves (1997). Evidence points to a consumption dilemma with information asymmetry as a barrier to the diffusion of environmental consumption (as noted by B. Cohen & Winn, 2007). An assumption emerging from the findings is that the marketing message used by BRECO might have misled consumers to understand that lower carbon impact means that something is missing in the beer. The implication is that green credentials are not the primary incentives for consumption and have a relatively marginal impact on sales performance notwithstanding their integration into the brand strategy (as shown in Figure 12, p. 194). The lack of response from consumers to green is discussed by Valor (2008) and echoed by Carroll and Shabana (2010). It contradicts the argument of Siegel (2009) that consumer choice of brand is based on superior environmental performance. Green credentials are in fact used by BRECO as secondary declarations in marketing/branding operations. Quality and price constitute primary decision criteria.

Despite the failure of green to boost sales, BRECO's sales figures have increased in direct retail outlets. The interpretation is that BRECO is equally adept in the advancement of sales and environmental performance, thereby aligning with the definition of ambidexterity found in Kollman and Stockman (2008); and Vazquez-Brust et al. (2009). Although green is not perceived to boost sales; it is an essential attribute for sustainable growth with major micro-level (Gustashaw & Hall, 2008) and reputational challenges such as those discussed by Siegel in his work on the strategic use of green (Siegel, 2009; Siegel & Vitaliano, 2007). The split between marketing (i) and marketing (ii) projections in the MLR framework (Figure 12, p. 194) suggests that the impact of green differentiation provides mixed results— as discussed by Robbins, Hintz and Moore (2010). While a symbiotic scenario of compatibility is captured between the marketing of green products and the company's environmental performance (i.e. inspirational and aspirational functions), the consumption dilemma is suggested to provoke a form of ambidextrous relationship between environmental responsiveness (green product range) and EFF^2 (sales context of performance).

The findings point to philanthropic activities as another source of ambidexterity. In contrast with the argument of Porter and Kramer (2002) that philanthropy can boost competitiveness, and therefore be a source of green- EFF^2 synergy, employees' engagement in cleaning the coast is not found to create a synergy. While these activities enhance green, they are not perceived to hold an immediate effect on business performance. They are accepted as a form

of stakeholder engagement which reinforces the idea of a symbiosis between BRECO and its environment (see dashed arrows leading to faded symbiosis pattern in Figure 16) yet is effectively ambidextrous to EFF².

Finally, BRECO's engagement into a joint venture partnership to exploit the anaerobic digestion plant is discussed to constitute a form of environmental response which is ambidextrous to EFF². The main activity of the anaerobic bio digestion plant is the conversion of waste (mainly food) generated by local businesses into biomethane and liquid fertilizer. The impact of this activity on the reduction of carbon emissions in the region will be significant. In line with the conceptualisation of ambidexterity proposed by Tushman and O'Reilly (1997), the development of this service requires exploitation and exploration being pursued with a separate, joint venture company. BRECO provided the plot of land at the distribution centre and an external organisation provided the expertise (technology) to install and run the anaerobic bio digester. As shown in Figure 12 (p. 194), the anaerobic digestion plant enables BRECO to propose two types of environmental response: (i) exploit green-EFF² synergies in terms of brewery waste management and logistic processes – i.e. using bio methane to fuel distribution vehicles; and (ii) engage in green-EFF² ambidextrous activities related to external food waste management and energy (green gas) production.

To recapitulate, BRECO engages in various forms of green-EFF² ambidextrous activities; whether this leads to encourage the practice of philanthropy or lead green innovation (product design, external food waste management) as a complement, not a catalyst, to BRECO's contexts of business performance.

7.3. Summary and discussion

The case study of BRECO provides an illustration of how the Four Compatibility Scenarios framework applies to a real-life situation. The results indicate that the company adopts a long-term, value-oriented perspective in decision-making and applies a transformational/distributed leadership model. Evidence offered in the case shows that these approaches to decision-making and leadership contribute to enhance the capacity of the firm to reinforce ESR; whether this implies to continuously inform and exploit synergies, engage in ambidexterities or identify/quantify and mitigate trade-offs in operations. Four core competencies for

corporate greening are thus unravelled: vision at the symbiotic level, skills at the synergistic level, engagement at the ambidexterity level and action at the trade-off level. The interviewees yet acknowledge the existence of a number of ESR shortcomings and potential for improvements essentially related to production inefficiencies, logistic operations and the consumption dilemma.

Overall, these findings add weight to the line of thinking that typologies/models which ascribe a specific level of responsiveness to an entire organisation (Buysse & Verbeke, 2003; Greeno, 1993; Hass, 1996; Hunt & Auster, 1990; Müller & Koechlin, 1992; Newman, 1993; Roome, 1992) are less accurate than those seeking to accommodate different stages across the business. For example, the application of the four compatibility scenarios to the case of BRECO permits to highlight the two-fold response provoked by the practice of green marketing at BRECO; whether it translates into symbiosis aspiration or ambidexterity engagement. The importance of decision-making and leadership corroborates the proposition that the degree of societal responsiveness essentially depends on how business actors (especially those accountable for determining strategic directions) reify the EFF² concept. In an effort to offer an explanation of ESR integration which accommodates the strategic context of the business, the MLR framework proposes to empower inspirational leaders in their quest for an effective reduction of the green impact of business activities.

In order to gain deeper insights into the driving forces and limitations of ESR integration at BRECO, the following Chapter provides an analysis of syncretistic challenges.

8. Applying the syncretistic perspective on a Brewery

The compatibility analysis presents BRECO as an environmentally proactive, multi-level responsive company. By adopting the syncretistic framework to analyse the responses of BRECO managers, this Chapter aims to provide deeper insights into the driving forces and impediments of ESR integration at the Brewery. The analysis addresses the research questions derived from the theoretical propositions:

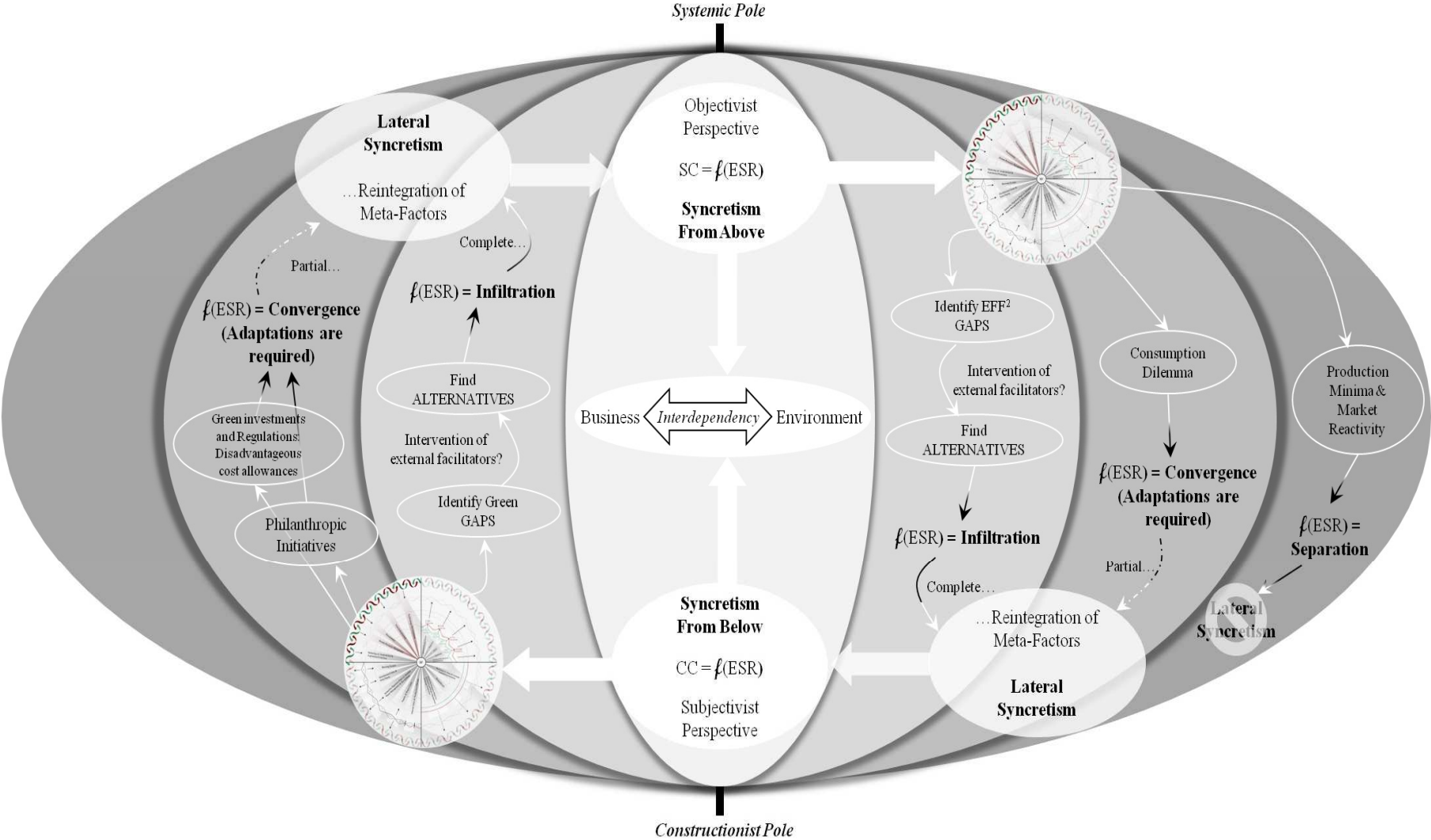
- Do BRECO's systemic contingencies facilitate or constrain ESR integration?
- Do constructionist drivers relax systemic pressures?
- What are the conditions for achieving lateral syncretism?

Figure 17 sketches different syncretistic layers (infiltration, convergence and separation) to illustrate how BRECO achieves, and/or may be constrained in its pursuit of, syncretistic equilibrium. The value of the response variable $f(\text{ESR})$ is reflected within the syncretistic alliance by the MLR framework (Figure 12, p. 194).

This Chapter explains the syncretistic 'dynamics' sketched in Figure 17 by presenting the research findings (section 8.1) and reconnecting them with theory to discuss the results (section 8.2).

Figure 17. The MLS model applied to BRECO

Source: author's own construction.



8.1. Findings

In this section, relevant interview extracts are selected to explore a range of systemic and constructionist contingencies which influence ESR integration at BRECO. The discussion begins with the theme ‘syncretism from above’.

8.1.1. Syncretism from above at BRECO

Syncretism from above is found to include different types of systemic pressures; whether they emerge from shareholders, industry standards, regulations or market trends. These pressures may either legitimise or impede ESR integration.

The CEO comments on the business model and the response of shareholders:

The business model has a long-term focus [...] The media and some shareholders, not all shareholders – most shareholders buy into our long view – but some shareholders still have quite a short-term perspective. So you have got a raw tension between working for the long-term and delivering in the short-term.

BRECO’s CEO explains that shareholders with a short-term perspective ‘*tend to be the institutional shareholders who, by definition, need to work on a short-term perspective [...] Some of the investments that we have made have probably been about 20% more expensive because we are working for the long-term, because we’ve built environmental features into them. Therefore, some of the shareholders and media with a short-term perspective would see that from a critical perspective*’.

BRECO’s stakeholder engagement and long-term vision was not unanimously accepted amongst shareholders. Some institutional shareholders tend to be critical. For instance, one group of investors, who has been critical towards BRECO for a number of years for its financial performance and expansion plans, sold all of its shares in May 2011. The CEO specifies:

[These Investors] are what's known in our world as an activist shareholder. They bought shares over a very lengthy period of time thinking that they could agitate and change the

company strategy and get us to put the company on the market. And then they would get a price premium. The majority of shareholders, in our shareholder meetings, said: actually we would like this company to continue in the way it is. We hold regular shareholder open days. One of my questions to shareholders, small shareholders in particular, is: why are you a shareholder in [BRECO]? And they are pretty categoric that they like what the company stands for, either its tradition or its approach to environmental sustainability. They are big fans of the place where we are located and they really want to see brewing continue as an independent activity. At one level, they are rational, they want to see some growth on the share price and they want to see a dividend, but there is also an emotional attachment.

The CEO elaborates on the shareholding structure:

The company has two tiers of shares. There are A shares that are held by founding families and staff. And there are B shares freely traded on the market. That enables the company to take this longer term perspective because it can rely usually on families, it's not just the BRECO family, there are other families as well and staff to support those aims. It also has these B shares which are traded and quite frankly, most of those B shareholders support those long- term aims as well. So it seems quite a strong position although my earlier comments about short-term versus long term apply.

Despite the existence of a 'raw tension between working for the long-term and delivering in the short-term' (CEO), BRECO's business model, and inherent focus on the long-term, is approved by the majority of individual and institutional shareholders.

BRECO relies on its ability to innovate and create to be successful in driving a long-term, sustainable business model. The Head Brewer emphasises the quality of the technology and refers to it as an example in the industry:

So the energy saving, the tank which captures the steam that comes off the brewhouse, I think that's something most breweries would like to put in.

The interviewee explains that the brewing technology acquired by BRECO constituted a project which, if not implemented wholly, would not be as cost effective:

[Other Breweries] would like to acquire this equipment but the payback is an issue. It's quite expensive to put in one tank if you're not doing anything else to the rest of the brewery. If you're putting it in with a new project, then actually you have all the construction guys on site, you have all the technical people on site, so the cost of that is offset by the cost of the project and long-term benefits. Whereas, if you are just putting all that cost into one little project, then it's going to be more expensive.

This excerpt indicates that the acquisition of eco-efficient brewing equipment is viable if it is embedded into radical changes in operations and justified by long-term capital expenditure plans. For instance, the whole brewing system of BRECO needed renovation and modernisation, the company hence decided to invest in an eco-efficient project. The brewing equipment now used by BRECO attracts the interest and praise of other brewers:

I think, in the UK, it's a very good example of a modern brewhouse. We do get people who are looking to put in some new brewhouse equipment; they do come to have a look around. They don't always want to do what we do because all breweries have their own little quirks. But they come to see what we have done. And most of them are quite jealous of what we have ended up with. Jealous of the fact that we put a full new brewhouse in because actually there is a lot of things most brewhouses would want to put in but cannot justify the spending as a standard loan (Head Brewer).

Therefore, credibility and legitimacy do not only emerge from the support of shareholders but also arise at industry level. As a result of its long-term investment efforts, BRECO can be referred to as a leader in the brewing industry in terms of innovation and environmental credentials with the brewing equipments and distribution depot as major assets.

The long-term approach of BRECO further allows the maintenance of a proactive approach to regulations. As discussed in Chapter 7, the company does more than what is currently required by the law and is anticipating a change in legislation that would provide it with a competitive advantage. The use of the environmental standard Green Leaf in the process of selecting wine suppliers is another example of proactive environmental responsiveness (see section 7.1.3, p. 205).

While BRECO sees benefits in the (prospective) reinforcement of environmental regulations, the company expects policy-makers to be more supportive to green initiatives. The annual report and accounts 2011 points to the *'unfair'* government allowances policy which fails to reward pro-ESR infrastructure investments; thereby particularly referring to BRECO's investment in its distribution centre. The report indicates that energy-intensive plants are granted cost allowances whereas green buildings may be denied such allowances which is perceived by the Chairman to contradict the government's *'claim to have a green agenda'* (2011 Annual Report).

Regulations and competitiveness are integrated in the theoretical argument as a form of systemic pressure, which, in practice, BRECO manages to combine on the basis of its green credentials. On the one hand, the company remains *'well informed on regulatory developments and engage with the development of these regulations'* (2010 Annual Report). On the other hand, green credentials stimulate competitiveness. For example, the UK retailer Tesco, attracted by BRECO's green credentials, suggested the production of a carbon neutral beer (see section 7.1.4, p. 212). However, while the findings indicate that BRECO is successful in terms of sales performance (the company has gained market shares), the impact of green on the sales context of performance is relatively marginal. The Head of Marketing concedes that *'environmental activities are not going to develop sales'*.

Overall, the link between green and consumption remains to be explored and regulations are viewed to require adaptation to facilitate green. The findings suggest that systemic pressures can support – through the influence of shareholders – and drive – via (off-trade) market opportunities – green solutions. In turn, green solutions can facilitate the achievement of syncretism from above in that they enable the company to operate above industry standards and beyond what is required by the law.

Systemic contingencies may however hold a negative influence on the firm's environmental performance. As discussed in section 7.1.2 (p. 200), BRECO's reactions to market opportunities occasionally generate negative synergies as a result of an imperfect match between demand quantity and production capacity. The Head Brewer explains that BRECO faces a dilemma in terms of production efficiency:

Because the beer market has changed [with the emergence of numerous micro-breweries], we've got a choice to make: either we stay outside that bit of market and we just accept that we won't be able to compete in there or we produce small batches and accept that it will be slightly less energy efficient than what we normally do.

It follows that systemic pressures stemming from factors such as market opportunities may develop into a negative impact on green. The CEO specifies that, although BRECO cannot fail to respond to market opportunities even if it increases carbon emissions, the company sees short-term (bio-methane) and long-term prospects for improvement in environmental responsiveness:

We saw a market opportunity there [...] there is a time lag [...] we couldn't postpone business growth [...] But I rest assured that, as we start to implement bio-methane, environmentally sound trucks, that carbon footprint will continue to come down [...] I think [BRECO] is taking market shares at the moment. My view is that we can create industrial ecology, we can create a business that treads lightly on the planet, and we can be successful. I don't think they are mutually exclusive.

The findings indicate that systemic pressures, in the way they currently impact BRECO, provide opportunities for optimising ESR integration. They may not only legitimise (e.g. shareholders' approval) and drive (e.g. market opportunities) ESR initiatives but are dealt with by means of advanced ESR engagement. This engagement reaches above industry standards, beyond the law, and opens up short-term and long-term perspectives for alleviating existing constraints related to market volatility, production capacity, and logistic processes. The challenges faced by BRECO in these areas suggest that syncretism may be conceived of as a form of convergence, or transient separation, between ESR and business performance rather than the absolute integration that syncretism prescribes. To gain further insights into syncretistic challenges at BRECO, the discussion continues to outline the findings related to the constructionist pole of the syncretistic mechanism.

8.1.2. Syncretism from below at BRECO

The challenges of syncretism from below are of a constructionist nature insofar as they relate to the role of individual business agents in consolidating the green agenda of BRECO. The

findings emphasise leadership, employees' commitment and business culture as catalysts for ESR integration.

The leadership model adopted at BRECO seeks to broaden the vision of decision-makers and make employees aware of their responsibility and ability to drive change. The CEO explains:

Transformational leadership is what we are looking for our leaders to be able to do, that is to create a vision for the future, be able to build trust in their followers. Things that you do around that are: building self-esteem, ensuring that the work place is a very honest and open place. In doing that, you can get people to follow you to a new place, creating a vision of what's on the other side of the change that you are making.

While transformational leadership promotes 'bottom-up' interactions in which employees feel valued and, in turn, value the business and what its societal impact is, distributed leadership enables BRECO to further consolidate the message. The CEO indicates:

Distributed leadership means that it doesn't all vest in one individual, actually it's a collective message [...] In some research that we've done, we found that the most trusted person amongst our staff is their immediate boss. So if their immediate boss is saying this is a good idea, they're more likely to buy into that as a concept.

The decision to adopt a distributed approach to leadership was thus informed by a study on how to diffuse trust among employees. The company relies on various individuals holding leadership positions to drive business performance and control the environmental impact of hotels, pubs, restaurants, kitchenware and beers. These leaders ought to diffuse the message that green is the right thing to do and ensure that everyone at BRECO do things right: 'As long as we've got people in different places who take a leadership role of making sure that things are done right, it's not so much of a problem' (CEO).

BRECO's CEO provides concrete examples to demonstrate that employees can be inspired to drive green-EFF² change:

I can give the story about when our hotel staff brought in the source blankets as off cuts from the textile industry and had those made into blankets. Rather than use outdoor

heaters, they wrapped customers in blankets. Alison at our distribution centre spends a lot of time communicating about environmental initiatives that people can do at home and in the work place. One of us came up with the idea of making the lightest weight bottle on the market. So there are examples of change that's been inspired by individuals.

These individual initiatives indicate that the sense of responsibility towards the environment is shared by employees throughout the company. The Retail Director provides another example of employee's commitment to generating positive change on both business and green performance:

Everyone contributes. And actually, I will suggest that the best ideas we've got, the ones that are best bought, in particular by customers, have come from our staff in stores, or the staff in the offices. They haven't always come from the senior team; they've come from the people who work in our ends. They can see what happens from day to day and can understand what people's views are. We've got those bin bags in the store which are recycled material and that came from the colleagues working there saying that we don't want to be using plastic bags, we don't want to be creating this waste and this pollution, what we want to do is find an alternative.

To explain how BRECO evolved to give more emphasis to the constructionist pole of the syncretistic framework, the Operations Director points to the positive impact of structural and corporate culture changes:

We used to have a very top-down culture before 2000. Now, we have what we call an environmental champion in each part of [BRECO]. Culture change started with things like key performance indicators. People were rewarded. If I say: 'what you've got to do is reduce your carbon emissions by 1% at the second quarter of this year. If you do that, I am going to reward you compared to the quarter of last year'. You're going to do that – aren't you? – because you want more money. So, with this approach, people were streaming forward with ideas because they got a bonus for doing that.

This excerpt indicates that BRECO managed to enhance employees' commitment by introducing a system of financial incentives. Staff have since become shareholders which further encouraged their commitment. The Operations Director comments:

We don't actually do that anymore by reward but they are all shareholders of the company so the more money we make in sales and the less detrimental to the environment we are, they will get a share of that.

The Operations Director conveys that an internal survey demonstrated that BRECO 'employees care so much about' environmental responsibility that it 'is now embedded'. The Head of Marketing confirms that ESR is 'very much bred internally from things that we are observing, things that we understand'. Employees feel responsible for the performance and societal impact of their company. The philanthropic activities discussed in section 7.2.4 are yet another example of staff engagement. The CEO comments on beach cleaning:

That was an innovation by one of our staff [...] It's an example of how ideas from employees become initiatives which can actually serve the environment beyond the usual activities of the business.

BRECO's culture is thus diffused throughout the business via transformational and distributed leadership and ESR is discussed to be a key component of the business culture. To illustrate the influence of the business culture at BRECO, the Head Brewer explains the rationale behind the decision to acquire a new brewhouse:

We went way beyond what we needed to do by quite a long way [...] I think it is more the culture driving that, it is not the regulation driving us to put that brewhouse in.

The Head Brewer also suggests that environmental credentials in one activity of BRECO – i.e. distribution – influenced green changes in an adjacent activity of the company – i.e. the brewing process:

We have designed the distribution centre to be reasonably environmentally friendly. It would have been slightly odd to design a brewhouse that wasn't at least trying to get to the same place.

The green mind-set of BRECO, embedded in its corporate culture, is thus found to enhance ESR integration; whether it impinges on investment decisions or translates into environmental

philanthropy. Supported by family and staff owners as well as most B shareholders, BRECO adopts a value-oriented business model that accommodates systemic pressures. Part of the value BRECO seeks to create lies in reducing its impact on the environment. Business agents – i.e. managers and staff – have a proactive role in driving this process throughout the entire company. To achieve this, the findings point to the importance of integrating meta-factors – i.e. environmental/economic trends – which have an impact on the long-term sustainability of the business.

8.1.3. Lateral syncretism at BRECO

The findings suggest that BRECO looks beyond the most immediate and practical functions of the business in the pursuit of syncretistic equilibrium. The Retail Director comments:

I think the real challenge for us is to make sure that we control the elements around the business to the best of our abilities and find new ways of improvement. That's the way we work [...] It should matter to us who, when, where we get our problems from and how to alleviate them.

This excerpt indicates that the company strives to identify sources of improvement beyond the conventional boundaries of the business. The annual report and accounts 2010 suggests that 'testing economic climates dictate [BRECO] works harder and smarter than ever before'. When asked to comment about the ambition of BRECO to prepare the company for a changing market place, the Head of Marketing explains how lateral syncretism is achieved:

It's about stepping back and almost seeing ourselves as part of a community and say what's happening overarching, how are people responding to the recession, how are people feeling about social security and tapping into things that are more of a macro level. We can always look down at our specific markets but really it's about looking at it as a whole and how people behave. What are they looking for? What are they scared of? What do they dream of?

This interview extract demonstrates a willingness to build awareness about societal trends which may affect the future of the business. For example, BRECO's efforts to anticipate the

rise in fossil fuel prices started in the early 2000s and are now bearing fruits in the form of significant cost savings in operations. The Operations Director comments:

I believe that the board had a good vision because if you look at the price of utilities 11 years ago or some years ago and look at it now, the difference is horrendous. The costs of water, electricity and gas have doubled. So I actually think that it was a great vision. I run this site now [referring to the distribution centre]; it is 10 times bigger than the one we left in 2006. 5 years on, the day-to-day running costs of a site that is much bigger are the same. The shareholder benefit and the cost benefit have been massive.

This is evidence of a long-term, value-oriented business model (a component of syncretism from below) that generates tangible economic benefits (a component of syncretism from above). The stakeholder engagement at BRECO is also illustrated by discourses about the region where the company operates. Interviewees claim a strong attachment to place, including the CEO:

...we live in this place that is of outstanding natural beauty. Therefore, it means that we have to not only have concerns for the natural environment but also for the built environment.

The Retail Director adds:

I think it's massively important that we have a positive contribution to the region we live in.

This motivation links in with the willingness to broaden the vision of the business to value impact on communities and remain in tune with societal trends that can affect the business and/or local communities such as carbon emissions and the quality of water.

To achieve eco-efficiency, for example, BRECO decided to install a grass, hemp roof on the new distribution depot. This roof serves a dual purpose; it provides a 'back-to-nature' beauty that reflects BRECO's attachment to the environment, while it adds insulation to the building which lowers heating and cooling costs. The Operations Director contends that the company did not want 'to put a steel building with a peach roof in the middle of a stunning country side

because it is a stunning setting up here. Plus, it provides insulation; this has a considerable impact on our costs'.

The 'pro-ESR' culture of BRECO is reflected onto its choices of infrastructures which demonstrate a willingness to integrate societal concerns which do not necessarily have a direct or obvious connection with the business – e.g. preserving the beauty of the environment.

BRECO's culture is thus discussed to be a key driving force for ESR integration. The implementation of ESR was further supported by partnership initiatives with, e.g., universities. The CEO explains:

The [local University] have a strong school of environmental sciences and they are big in the climate change space as well. So we've worked with them and we've done some knowledge transfer with them around carbon foot printing of products. That's been very useful. We work with Imperial College in London. We have some interns from there. We've also worked with Cranfield University on leadership. They've done a case study on [BRECO] on transformational and distributed leadership and they're working on it at the moment. Now we're working with your University. We think it is really important at two levels. One, it's important so that what we do is grounded in some theory. But it's also important for us for marketing perspectives as we are preparing the business for a new future that we start talking to generation 'Y' about what we are doing with the business. Today's students are tomorrow's consumers of [BRECO's] products.

Seeking legitimacy by grounding the business model into theory and communicating to the next generations of consumers are evidence of a long-term business orientation. In order to understand how this long-term impact may be created, BRECO resorts to partnership initiatives.

The joint-venture company created to develop and exploit the anaerobic digestion plant (cf. section 7.1.4, p. 212) is another example of partnership initiatives informing the development of ESR at BRECO.

One objective of this partnership was to address the negative impact of logistic operations on the environment by trialing the use of green gas to fuel transport vehicles.

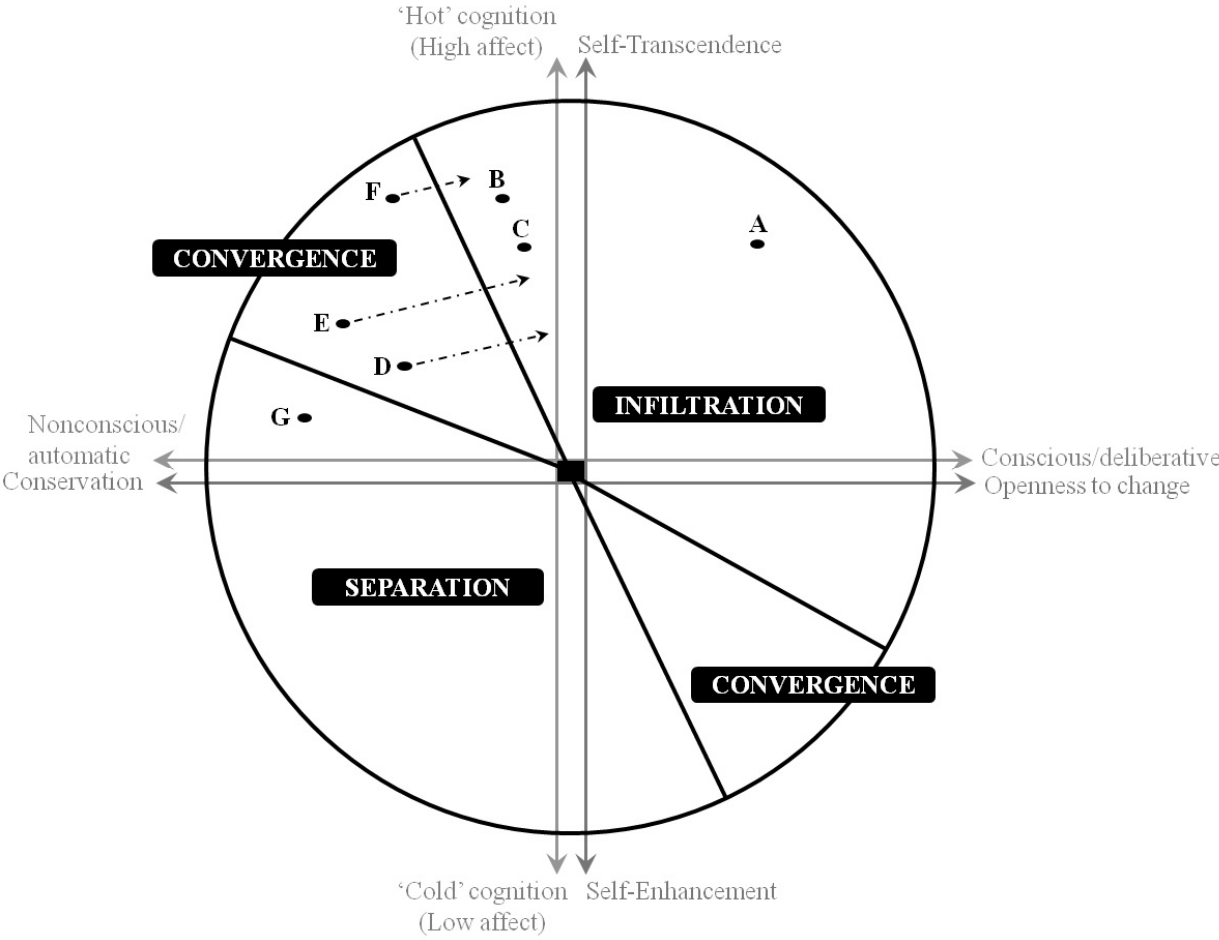
Another objective is to address the issue of food waste. The anaerobic digestion plant takes 12.5 thousand tonnes of food waste in a year (CEO). This allows '*other transport companies or other companies who may want such a thing*' (CEO) to dispose of waste in an environmentally responsible way insofar as their waste will be used to produce gas and feed the national gas grid. This is another example of BRECO reaching beyond its most immediate economic interests and the scope of its core competencies to embrace considerations to, and act upon, wider environmental issues.

Overall, evidence shows that BRECO aspires to achieve syncretism between ESR and business performance and is helped to achieve this by supportive mechanisms emerging from below. BRECO seeks to act upon, and build awareness about, the potential impact of societal and economic trends on the business, although a number of elements emerging from above (such as regulations and market volatility) are found to impede these dynamics.

8.2. Reconnecting with theory

The findings from the case study of BRECO related to the themes syncretism from above, syncretism from below and lateral syncretism are now reconnected with theory. As shown in Figure 17 (p. 232), the analysis reveals that the value of the response variable $f(\text{ESR})$ generates three syncretistic outcomes: infiltration, convergence and separation. The discussion notably draws from the psychological assumptions of syncretism (Figure 6, p. 94) to explain each outcome and confirm to what extent BRECO is open to green change and to what extent the firm is constrained to adopt conventional business solutions at the expense of green. Drawing upon the criteria proposed by Schwartz (1992); and Hodgkinson and Healey (2011), Figure 18 provides a graphical illustration of the way BRECO attempts to combine business sense with environmental ethos. The results displayed in this graph are now explained, beginning with the pattern of infiltration.

Figure 18. Combining business sense with environmental ethos at BRECO: mapping the terrain



8.2.1. Infiltration

The procedure of infiltration sketched in Figure 17 (p. 232) portrays the idea that systemic pressures and constructionist drivers, to some extent, facilitate ESR integration. The findings suggest that sensitivity to environmental issues constructed ‘from below’ is an essential catalyst for ESR integration at BRECO. At the systemic pole, shareholders’ and market opportunities may also facilitate ESR integration.

BRECO managers and employees are proactively involved in driving ESR integration throughout the entire company. In line with Dutton and Dukerich (1991); and Hodgkinson and Healey who make a link between individuals’ affect and emotions and the processes of learning, decision-making and action, the analysis suggests that the sensitivity of BRECO

managers to environmental issues is an essential catalyst to the mechanism of infiltration between green and business performance sketched in Figure 17 (p. 232). BRECO's openness to change and the high affect of business agents to environmental issues provide favourable premises for leading green-EFF² change – as suggested by the position of **point A** in Figure 18. The impact of learning and leading discussed in the literature review (section 4.3.4.1, p. 82) applies to the case of BRECO. The CEO explains that transformational leadership – a concept notably discussed by Waldman and Siegel (2008) – helps to stimulate employees' commitment to environmental values. Distributed (or shared) leadership, as Pearce and Manz (2011) propose, serves as a means to diffusing the transformational message. Business leaders, according to Brown and Mitchell (2010); and McNulty and Davis (2010), set the tone for organisational goals and behaviour. In line with Hawken et al. (2002); Ackoff (2001); and Camps and Majocchi (2009), the development of a learning culture within BRECO facilitates ESR integration processes. BRECO relies on innovation and creativity to be successful in driving a long-term, sustainable business model – an approach to strategy-making discussed by Kaplan and Orlikowski (2007). In addition, BRECO occasionally engages in partnership activities to achieve this too.

Green solutions stemming from the cognition of business agents and their openness to change are viewed to accommodate the systemic pole of the syncretistic framework in that they enable the company to operate above industry standards and beyond compliance (McWilliams & Siegel, 2001; Waldman & Siegel, 2008). Environmental credentials provide credibility and legitimacy at industry-level. BRECO's infrastructures, for instance, place the company at the forefront of industry standards owing to their pro-environmental features. The findings also suggest that shareholders are sympathetic to BRECO's green agenda, although they are described as conventional shareholders interested in dividends. Their perception of green as a business asset facilitates the process of infiltration because it enables BRECO to combine shareholder value realisation (syncretism from above) with high affect to environmental issues (syncretism from below) – as suggested by the position of **point B** in Figure 18.

The findings indicate that ESR activities at BRECO are conducted in the way most appropriate to the firm's strategy, as commended by Porter and Kramer (2006). BRECO's investments in green are seen to have paid off as important cost reductions have emerged in the brewing and logistic operations. This corroborates the arguments of Zadek (2000) and Devinney (2009) who stress the importance of perceiving a pay-off function to justify benefits

over costs while integrating ESR. The production and marketing of the ‘carbon neutral’ beer in collaboration with Tesco is another example of the commercial benefits gained by BRECO out of green credentials. The positioning of BRECO as a green business constitutes a marketing strategy that simultaneously fulfils sensitivity to environmental issues and business sense by conserving traditional marketing channels for boosting business performance – as suggested by the position of **point C** in Figure 18 (p. 245).

The study of BRECO shows that SC and CC may infiltrate one another to facilitate ESR integration and create favourable premises for achieving syncretism. The tendency of BRECO to rely on conventional ways of doing business may however challenge ESR.

8.2.2. Convergence

The case study corroborates the pattern of convergence discussed in Chapter 6. While ESR integration is understood to be compromised in some areas, points of convergence are found. The achievement of lateral syncretism depends on adjustments made to $f(\text{ESR})$; notably regarding the effects of consumption, regulations and philanthropic activities. Consumers, regulators and philanthropists presumably converge on the idea that ESR matters.

To synthesise the point made in section 7.2.4 (p. 226), the consumption dilemma consists of the marketing of ‘green’ beers by BRECO and a lack of response from consumers in relation to green credentials. The perception is that quality and taste prevail over green credentials. Yet green is integrated into the brand strategy (see Figure 12, p. 194) and it is hoped that this form of normative compatibility (i.e. aspiration to symbiosis between green and EFF²) will have an impact on consumption and yield stronger sales figures in the long-term – hence the dashed arrow leading from convergence to lateral syncretism (Figure 17, p. 232). The position of **point D** in Figure 18 (p. 245) reflects the approach of BRECO managers to the consumption dilemma between conservative consumption patterns (horizontal coordinate) and their high affect to environmental issues (vertical coordinate).

Another idea discussed in section 7.1.1 (p. 195) is that ESR extends beyond compliance. Environmental policy-makers may discourage this proactive approach by failing to offer advantage to firms who invest in green. The ‘unfair’ government allowances policy discussed by the Chairman (2011 annual report) arguably impede change to more sustainable business

practices despite the eagerness (high affect) of business agents. The position of **point E** in Figure 18 (p. 245) illustrates the impact of the cost-allowances policy as an incentive to the conservation of energy-intensive infrastructures (or traditional ways of doing business, see horizontal coordinate) notwithstanding BRECO's 'hot cognition'¹⁹ (or high affect) about environmental issues (vertical coordinate). The CEO is particularly hopeful that legislation will evolve to provide more incentives to invest in green and a cost advantage to BRECO; hence the pattern of convergence depicted with a dashed arrow attached to **point E** (Figure 18).

The findings further point to philanthropic activities (beach cleaning) as illustrative of employees' endorsement of BRECO's environmental ethos. These activities are yet deemed incongruous to short-term business performance. Philanthropy is instead suggested to incur a long-term, yet unpredictable, positive impact on the business – hence the pattern of convergence and the dashed arrow leading from philanthropic initiatives to lateral syncretism (Figure 17, p. 232). The position of **point F** in Figure 18 (p. 245) suggests that philanthropy arises out of 'hot' cognition (vertical coordinate); yet it fails to challenge traditional ways of doing business (horizontal coordinate).

Overall, the pattern of convergence frames the idea that BRECO acknowledges the existence of patterns of disconnections between green and business performance yet perceives optimistic trends for the achievement of unity and reinforcement of μ (ESR). Syncretism may reflect a pattern of separation when such optimistic trends are not perceived by BRECO managers.

8.2.3. Separation

The findings indicate that the environmental impact of BRECO may occasionally increase because of production inefficiencies. This green gap contrasts against the aspiration of BRECO to create holistic environmental responsibility which, in the psychological construction proposed in Figure 6 (p. 94), creates a bias towards syncretism from above.

¹⁹ In line with Hodgkinson and Healey (2011), what separates 'hot cognition' from 'cold cognition' is the degree of moral concerns or feeling for environmental issues. 'Hot cognition' relates to strong moral concerns. 'Cold cognition' refers to low moral concerns. Hodgkinson and Healey (2011) propose that organisations which rely on 'hot cognition' principles are significantly less likely to fall prey to cognitive blind spots and strategic inertia than organisations which rely on 'cold cognition' principles.

The beer market is characterised by the emergence of micro-breweries and an increasing number of beer styles. In this ‘*volatile*’ (2011 annual report) market, the competitiveness of larger breweries, such as BRECO, is challenged. The findings suggest that BRECO is capable of producing a variety of beers and responding effectively to market opportunities. Market reactivity, in turn, occasionally provokes production inefficiencies – as previously discussed and embedded into the response variable $SC = f(ESR)$. The MLS framework incorporates the idea that “market-based solutions” (Robbins et al., 2010, pp. 43-44) for ESR commitment may give rise to a pattern of separation whereby green responsiveness and EFF^2 are operationally incompatible. The green gap is identified but no remedy has been discussed by interviewees. In this sense, the production system may be viewed as a form of fixed constraint (Porter & van der Linde, 1995b). The prospects for convergence between green and business performance are reduced; as a result, the reintegration of green as a business responsibility is impeded – see separation layer (right side of the sphere, Figure 17, p. 232). The systemic contingency of market volatility is interpreted to disrupt the syncretistic alliance and constitute an obstacle to the potential of BRECO to continuously reduce trade-offs throughout the business. The Head Brewer comments about production inefficiencies: “*we find ourselves in a stalemate situation at the moment*”. As businesses traditionally/conventionally do, BRECO responds to such market opportunity and accommodates to the limits of existing production systems to provide green (or efficiency) benefits; hence the position of **point G** in Figure 18 (p. 245).

8.3. Summary and discussion

As discussed in section 6.2.2.1 (p. 184), the MLS framework displays the assumption that ESR integration becomes optimal when syncretism creates a pattern of infiltration; that is, when the company successfully satisfies the conditions for achieving syncretism from below, syncretism from above and lateral syncretism.

Syncretism from above is discussed in this Chapter as an objectivist process whereby the following set of questions ought to be reflected upon: does ESR integration make business sense? Are shareholders buying into it? How can ESR integration influence the regulatory context to create a competitive edge? How can it be valued in the market place? What is the

impact of green on competitiveness and of competitiveness on green? Answering these questions requires thinking of systemic contingencies as a function of ESR.

Syncretism from below, on the other hand, is a subjectivist process whereby the following set of questions ought to be reflected upon: Do ESR initiatives match the culture of the company? Is leadership style adapted? Does it instigate staff commitment? Are individual constructions of ESR amenable to systemic prerogatives? Answering these questions requires thinking of constructionist contingencies as a function of ESR. The MLS framework (Figure 17, p. 232) indicates that CCs reflect a multi-level response to environmental issues. Because the findings suggest that environmental values are linked to business sense either via a mechanism of infiltration or via a mechanism of convergence, the symbolic equation $CC = f(ESR)$ is not interpreted to generate a pattern of separation between green and business performance.

By building awareness about environmental trends, the company is able to devise green-EFF² solutions stemming from the identification of business-related green and/or EFF² gaps in this wider context. This logic is embedded in the literature by, e.g., Elkington's (2001, p. 7) "Learning Flywheel", Roberts' (2002, pp. 64-74) "System Conditions", and Braungart and McDonough's (2008, p. 150) "visualisation tool". As depicted in Figure 17 (p. 232), the identification of gaps occurs at both the systemic pole, wherefrom the impact of economic trends is considered, and constructionist pole, wherefrom important environmental trends are captured. Once the gaps are identified, the process of lateral syncretism seeks to prescribe 'pro-ESR' solutions. Hollender (2004) observes that businesses are often looking for non-profit partners to help them in the ESR process. The findings indicate that BRECO engaged in partnerships with different organisations to integrate green credentials. The syncretistic mechanism proposed in Figure 17 (p. 232) refers to these partnership initiatives as the intervention of external facilitators who can be solicited because their expertise or knowledge can help to convert the gaps into ESR integration alternatives. These alternatives are then confronted with the conditions inherent in the pole opposite to identification origin – thus reflecting upon the questions suggested above – with a view to reaching syncretistic equilibrium. Yet a number of meta-factors, in the way they are integrated into the response variable $f(ESR)$, are challenging the potential to achieve holistic ESR integration. Table 6 reviews a number of examples discussed in this Chapter; whether they provoke a pattern of infiltration, convergence or separation between green and business performance.

Table 6. Illustrations of syncretistic dynamics at BRECO

GREEN GAPS	ALTERNATIVES	SYNCRETISTIC LAYER
Transport and fuel consumption	Make steps to produce and use bio-methane to fuel the fleet of distribution vehicles.	Infiltration
Wastage	Convert yeast, other brewery waste, and external food waste into bio-methane (bio digester)	Infiltration
Polluting plastic bin bags	Use of recyclable bin bags (suggested by staff member).	Infiltration
Polluting glass manufacturing process	Reduce glass weight	Infiltration
Food supplies creating negative impact on the environment	Source food supplies locally	Infiltration
CO ₂ impact of kitchenware transport	Extend the use of the distribution depot to include kitchenware orders and reduce the number of journeys.	Infiltration
Energy consumption at the hotel	Wrap customers in blankets sourced off-cats from the textile industry to save on energy and heating expenses	Infiltration
Beach maintenance	Philanthropic commitment to clean the beach twice a year	Convergence
EFF² GAPS		
Inconvenient Distribution Processes (city centre encumbered)	Acquire a new distribution centre with environmental features outside the city	Infiltration
Old and inefficient infrastructures	Invest in eco-friendly and more energy efficient facilities.	Infiltration
Off trade market gap	Produce and market the carbon neutral beer	Infiltration
Unfair government allowances policy not rewarding eco-efficient buildings	Remain well informed on regulatory developments and engage with the development of these regulations.	Convergence
Consumption dilemma	Acknowledge the gap between environmental responsibility and consumers' needs/expectations; envision an increase in 'green consumption'.	Convergence
Production inefficiencies and market opportunities	React to market opportunities and sustain competitiveness; Accept transient production inefficiencies	Separation

Figure 18 (p. 245) sketches the idea that ‘hot’ cognition to environmental issues (at the constructionist pole) does not secure the achievement of syncretistic equilibrium. While BRECO evolved in terms of business culture and structure (**point A**, Figure 18), the firm does not fundamentally challenge traditional ways of doing business but rather strives to combine them with pro-ESR values. The analysis indicates that BRECO tends to rationally comply with systemic ‘norms’ and has a relatively weak influence on a number of (dominant) SCs such as market volatility, consumption and regulations. Both the progress of convergence effects and the alleviation of separation effects are critically subject to changes at the systemic pole (top-down adaptations, Figure 5, p. 81).

While the results indicate that CCs are key driving forces of ESR integration (inspiration), their combination with conservative/conventional ways of doing business (constraint) impedes holistic ESR integration. Figure 18 captures the tension between constraint and inspiration (and between the cognitive and the collective) discussed by Mintzberg and Lampel (1999). The persistence of systemic impediments may be a rationale for, or the result of, the pattern of paradigmatic conformity discussed in Chapter 2. It may be to some extent the result of a dominance of technocentric worldviews in the practice of management. Although the analysis shows that BRECO manages to combine green improvements with economic responsibility, the company concedes that further improvements are necessary in some areas. The firm is willing to go further and adopt innovative green solutions to the extent that systemic constraints can be overcome. Adaptations from a variety of actors at the systemic pole (e.g., regulators, consumers) should take place before proactive companies like BRECO can operate in a perfectly syncretistic context. The Retail Director comments: *‘we cannot stop doing business and wait for better times to come. I think we do the best we can on the environmental bit but our main responsibility is to produce and sell beers’*.

9. Conclusion

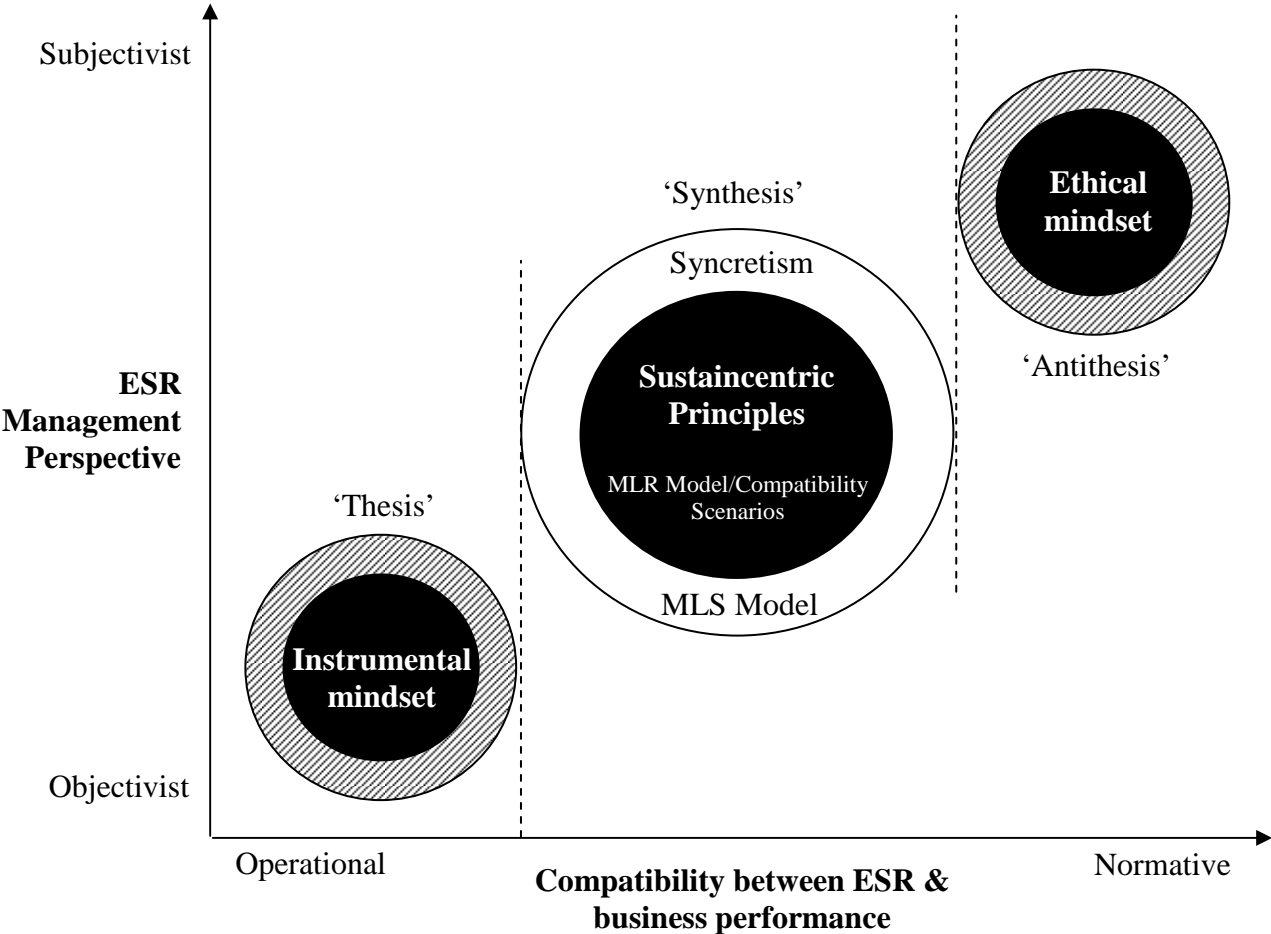
For many management theorists (e.g., de Lange et al., 2012; Garriga & Melé, 2004; Ghoshal, 2005; Gladwin et al., 1995; Gond & Crane, 2010) and observers (e.g., DEFRA, 2006; OECD, 2011, 2012; Porritt, 2009; WWF, 2012), the shift to a sustaincentric way of thinking in business is necessary and pressing. As noted by de Lange et al. (2012), corporate initiatives to address environmental issues such as those recorded in this thesis (case of BRECO) are the nascent efforts of a few. They are too sporadic to demonstrate a general momentum of optimism in the practice of management and facilitate the necessary systemic changes highlighted in the study of BRECO; not to mention the pessimism inspired by the environmental trends reported in Chapter 1. The tendency of businesses to resist change is not specific to ESR but more generally to the management of knowledge (cf. section 2.1). Because ESR integration ought to combine internal engagement and external awareness, understanding the variety of routes and management choices for knowledge integration (cf. Table 1, p. 11) is a useful way of introducing the challenges of ESR integration. Despite the important economic and moral implications of ESR which offer incentives to pursue positive attitudes towards ESR-related knowledge, the need to integrate moral concerns for environmental issues in management practice and theory is not satisfactorily fulfilled.

Ghoshal (2005) asserts that the way individuals conceive the role of business in society and influence the practice of management is informed by theory. The theoretical propositions made in this thesis seek to inform change towards more sustainable business practices. The empirical development of these propositions highlights a number of contingencies which either enable or impede change. Figure 19 illustrates a scenario in which the synthesis advocated by the syncretistic framework becomes the dominant line of thinking in the fields of management and ESR. The influence of both thesis (instrumental mindset) and antithesis (ethical mindset) is sketched to be comparatively inferior. The syncretistic model provides an alternative to atomistic and 'outmoded' ways of thinking in the practice of management discussed in Chapter 2. The MLR model embraced by BRECO captures the way in which companies may devise a proactive response to environmental issues. It provides an essentially descriptive analysis of ESR integration that complements the sustaincentric principles proposed by Gladwin et al. (1995). The MLS model, in contrast, is conceived of as a prescriptive framework addressing the limitations of dominant (technocentric) patterns of

thought in management practice. It extends the reflection to the consideration of the generative mechanisms which enable and/or constrain ESR integration.

Figure 19. Bridging the gap: syncretistic prescriptions for a sustaincentric management paradigm

Source: author's own construction.



As sketched in Figure 19, this thesis articulates both descriptive (compatibility analysis) and prescriptive (syncretistic model) accounts of the construct of ESR integration, the academic contributions from which can be described as: (1) identifying the limitations of existing management theory conventionally used in ESR research, (2) developing the construct of an alternative theoretical model: syncretism, and (3) applying the syncretistic model to studying the view of business consultants on ESR integration and the case of a Brewery. These contributions are essentially made to the literature on corporate strategy, evolved from an initial, atomistic (versus holistic) awareness and pessimistic view (Ghoshal, 2005) of the

relationship between business strategy and ESR into an explicit and holistic identification of processes and strategic challenges of ESR integration. By moving beyond traditional management theories and aligning with scholars adopting spirituality and religious principles in management and organisational life, this thesis contributes new insight on the theory of business and sustainable development.

Prior to highlighting a number of validity issues and closing the thesis with reflections on its implications for research, education, management practice and policy-making, a summary of assumptions, questions and prescriptions derived from theory and research results is provided.

9.1. Summary

The four scenarios of compatibility are used to evaluate whether corporate activities reflect a positive (synergy and symbiosis), negative (trade-off), or neutral (ambidexterity) relationship between business performance and green management. The underlying assumption is that the way business agents interpret what is the right thing to do and what is the right way to do things (EFF²) predicts the importance of green. In Chapter 3, the literature review suggests that the approach of businesses to green reflects a continuum between minimalistic types of strategies and maturation types of strategies.

The first phase of inquiry (interviews with business consultants) extends the theoretical proposition into a multi-faceted strategy model (Figure 10, p.132). The analysis identifies eight types of strategies – four of maturation: consolidative/transformational strategies, progress, philanthropy/self-interest and accommodative postures; the other four of minimalism: cosmetic strategies, opportunism, compliance and lackadaisical postures.

Creating change leading towards a higher level of environmental responsibility is understood to constitute a process of maturation. As illustrated in Figure 10 (p. 132), each maturation strategy is associated with a referent scenario of green-EFF² compatibility. Green projections are viewed as constituents of a network effect of corporate greening. Change is understood to be compromised if businesses adopt minimalistic strategies. Red projections (Figure 10, p. 132) are proposed to constitute a network effect of corporate status quo. Overall, the responses of business consultants indicate that contemporary business activities reflect a contention between corporate greening and corporate status quo.

The second phase of inquiry specifies the theoretical propositions by analysing the case of a UK Brewery. The analysis distinguishes between two types of activities: leading and operating (or impact). The leading and operating projections are framed into a Multi-Level Responsiveness model (MLR, Figure 12, p. 194) and linked to a referent scenario of green-EFF² compatibility. The analysis presents BRECO as a case of maturation strategy and corporate greening. Four attributes for corporate greening are identified: vision, skills, engagement and action. Interviewees yet acknowledge that improvements remain to be made in some areas – e.g. packaging, transport, etc.

The importance of decision-making and leadership corroborates the proposition that the degree of societal responsiveness stems from the way business actors reify the EFF² concept and conceive, or not, green as a strategic priority. The influence of business actors is yet to be placed in a more holistic context. In spite of green being conceived of as a strategic priority, the compatibility analysis synthesised above highlights a number of obstacles to ESR integration. It is argued that unravelling these obstacles requires the adoption of a more holistic theoretical framework; one that accounts for the contention between constructionist drivers for ESR and corporate systemic prerogatives.

A syncretistic framework of ESR integration is developed to fill this gap within this thesis. The approach views corporate environmental responsiveness as a consequence of the interpenetration of different beliefs and interpretations of individual agents of management about the nature and purpose of business. Consistent with the non-pejorative view of syncretism discussed by authors in the fields of religion and culture, Chapter 4 raises the assumption that companies are able to pursue an alliance between syncretism from above (systemic pressures), syncretism from below (constructionist pressures) and lateral syncretism (considerations to meta-factors). The thesis proposes to develop the syncretistic framework by examining the impact of systemic and constructionist contingencies on ESR integration.

The first phase of inquiry extends the theoretical propositions into a Multi-Layered Syncretistic model (MLS, Figure 11, p. 161). The MLS model supports the idea that syncretistic dynamics generate different outcomes. According to whether systemic and constructionist contingencies facilitate or impede the reintegration of environmental issues as a corporate responsibility, the pathway to reintegrating environmental issues (i.e. lateral syncretism) may either (or altogether) be complete (infiltration), partial (convergence) or

breached (separation). Syncretism is arguably effective when it translates into a mechanism of infiltration; that is, when the company successfully satisfies the conditions for achieving both syncretism from above and syncretism from below. This approach may be a more realistic way of reflecting the challenge faced by strategic managers seeking to put a sustainability strategy into practice than the simple and positive 'no compromise' message embedded in the win-win paradigm. The win-win argument recast the sustainability challenge to business theory and practice entirely within the existing and dominant technocentric paradigm by framing pro-sustainability strategies as one particular route towards increased efficiency, competitiveness and profit (Ambec & Lanoie, 2008). Although seductively appealing to business stakeholders and widely promoted by consultancies, environmental organisations, policy-makers and businesses (Salzmann, Ionescu-Somers, & Steger, 2005), the win-win logic falls short of explaining the range of constructionist and systemic influences on ESR integration that syncretism alternatively brings to light.

The second phase of inquiry portrays BRECO as a company who strives to achieve syncretistic equilibrium. While the response variable $f(\text{ESR})$, to some extent, secures the reintegration of meta-factors (infiltration), in certain business strategic and/or operational aspects, it reflects a partial (convergence) or breached (separation) alliance between syncretism from above, syncretism from below and lateral syncretism. The analysis highlights the sensitivity of business agents to environmental issues as an essential catalyst to ESR. The company essentially attempts to combine these moral concerns with traditional ways of doing business which impedes holistic ESR integration. Flexibility to change and venture towards holistic ESR integration is limited, not by what is ethically desirable, but essentially by what is systemically viable. For this reason, while conducting ESR in the way most appropriate to the firm's strategy is the way forward supported by some authors (e.g., Porter & Kramer, 2006; Siegel, 2009), this approach may fall short of solving the reintegration dilemma discussed in section 2.3 because of the enduring (fixed) constraints at the systemic pole.

9.2. Prescriptions

The patterns of infiltration, convergence and separation describe the outcomes that syncretism may generate. The syncretistic framework is argued within this thesis to be prescriptive in that it seeks to help business practitioners (and policy-makers) to make decisions about the way companies address ESR issues. While each organisation has specifics which will ultimately

determine its approach to ESR, the lessons learned from this thesis can be framed in a number of general prescriptions.

To begin with, adopters of the syncretistic approach should clearly define the components of both syncretism from above and syncretism from below which either facilitate or impede ESR integration. In this thesis, the findings from interviews with business consultants unravel such components. The visual representation provided in Figure 5 (p. 81), and extended in Figure 11 (p. 161) and Figure 17 (p. 232), contributes to the clarification and overall understanding of the workings, constituents and boundaries of the model. Reflecting upon, and attempting to solve, the (symbolic) equations: Systemic Contingencies (SC) = $f(\text{ESR})$ and Constructionist Contingencies (CC) = $f(\text{ESR})$ is a critical step to understanding both what the company should do to progress towards environmental sustainability and how external actors (consumers, policy-makers, etc) should be involved to support this transition.

When $f(\text{ESR})$ generates a pattern of separation, business agents should explore opportunities to create a shift towards convergence. In the case of BRECO, the systemic contingency of market volatility is found to impede holistic ESR integration. The main reason for that is the lack of adapted production infrastructures which would generate a more efficient and less wasteful response to market volatile trends. The constructionist pole prescribes that moral concerns for environmental issues should drive managers to consider the purchase of alternative technologies, or partnerships with 'green engineers', so that a pattern of convergence may be created. Another solution at the constructionist pole may be to rely on the creativity of front-line workers to contrive environmentally responsible ways of managing the waste from production inefficiencies (e.g. recycling). If a 'pro-ESR' solution is implemented, the equation $f(\text{ESR})$ will ultimately generate a pattern of infiltration.

In a similar vein, a lack of individual commitment to ESR in some parts of the company (i.e. impeding constructionist contingency) may generate a lack of follow through in operations and cause harm to the environment (e.g. BP oil spill in the Gulf of Mexico). To prevent such syncretistic deviance, organisations should promote staff (from top managers to front-line workers) education and training; inform them about the stakes (grim environmental trends) and solutions to reduce the firm's environmental impact and encourage them to participate to decision-making. This would enhance the capacity of the company to solve the equation $\text{CC} = f(\text{ESR})$ and achieve syncretism from below.

When $f(\text{ESR})$ generates a pattern of convergence, the firm is engaged in a process of adaptation and should be proactive in seeking to achieve a mechanism of infiltration. For instance, the consumption dilemma discussed in the case of BRECO may be addressed by promoting 'green consumption'. For a shift towards 'green consumption' to occur, companies should contribute to diffuse sensitivity to green issues and, in doing so, be proactive in using media, marketing and academic channels. If, as a result, a growing number of consumers buy into the green message, the company will have created a momentum of progress towards infiltration between consumption (syncretism from above) and environmental values (syncretism from below).

Regulations are yet another factor which, as this thesis indicates, may impede holistic ESR integration. As the case of BRECO shows, firms should partner with policy-makers and researchers in an attempt to influence change and justify the need for policy adjustments in favour of ESR integration. Syncretistic equilibrium will be achieved when the combination of a firm's commitment to ESR and environmental regulations accommodate both systemic and constructionist poles.

Overall, whether the practice in question relates to a pattern of convergence or of separation, efforts should be made to approach ESR as a catalyst for change. The syncretistic framework seeks to highlight the systemic and constructionist contingencies being the focus for change beyond the dominant ('technocentric') management precept of pursuing, e.g., competitive advantage, efficiency and profitability imposed by reliance on instrumentality and prominence of human needs over nature. By revealing green and EFF² gaps and seeking to solve the equations $SC = f(\text{ESR})$ and $CC = f(\text{ESR})$, business practitioners will be able to inform (and will be proactive in driving) change towards more sustainable business practices. Consistent with the scenario sketched in Figure 19 (p. 254), a paradigmatic shift away from current practices and thought patterns in which environmental considerations are considered secondary will have taken place. Moral concerns for environmental issues will generate practices which are amenable to the systemic pole and systemic advancement will harmonise with ESR.

Further examinations of the dynamics between the syncretistic poles and empirical developments of the theoretical framework may help to further illuminate the route to

sustaincentrism in management theory and practice. Prior to exploring the research implications in more details, section 9.3 considers a number of validity issues.

9.3. Validity issues

The research is somewhat limited in two respects: philosophical claims and data sources. First, as with all philosophical approaches, critical realism cannot be claimed to be the right answer (Easton, 2010). Acceptance of critical realism depends on whether one agrees with its basic assumptions. In the present study, acceptance of critical realism is grounded in the belief that it reflects how the world is. Critical realism, Willmott (2005) writes, presents a philosophically informed and overtly political basis for studying management and organisation. It is conceived in this thesis as a relatively coherent perspective on the world. The critical realist perspective is becoming increasingly important for organisation scholars who are unpersuaded by interpretive turns in the analysis of management and organisation (Willmott, 2005). The approach offers a rich source of inspiration and guidance for interrogating and changing social relations (Willmott, 2005). Critical realism conjectures that social change can be achieved through the contribution of theory. A good theory, according to Weick (1989, p. 517), is “a plausible theory (which is) judged to be more plausible and of higher quality if it is ... obvious in novel ways ... [and] high in narrative quality.” Theoretical framing, Wry (2009) notes, proposes to identify harmful practices (e.g. minimalistic strategies, syncretism as separation) and offer possible solutions or alternative practices (e.g. maturation strategies, syncretism as infiltration); on that foundation, it plays a key role in enabling change. The choice of critical realism may thus be approved by adepts of the philosophy; it may also be contested by others who disagree with its basic assumptions.

Because of the complexity and urgency of providing realistic prescriptions about how to integrate ESR in management practice and theory, insights from diverse epistemological orientations (perhaps alternative to the dominant ones sketched in Figure 7, p. 104) should be encouraged. This would open up the prospects for generating new insights into corporate sustainability; thereby complementing, or highlighting the limitations of, syncretism by tackling such issues as collective behaviours in organisations and the cognitive complexity involved in balancing objective rationale with subjective morale/ethics in business practice.

The second limitation of this thesis relates to data sources. As mentioned in the methodology Chapter, the research would have significantly benefited from interviews with business

managers in different companies and industry settings. While the case study of BRECO is illustrative of the workings of the theoretical framework, it is not claimed to be generalisable to other companies in different industry settings. The absence of comparative environmental data at industry level – e.g. average carbon emission of beers – can challenge the conclusions drawn in the case study; notwithstanding the awards attributed to BRECO for their ‘proactive’ approach to environmental issues. The use of multiple sources of evidence (Yin, 2003) would provide invaluable empirical value to the theoretical account developed in this thesis. The application of theory on other Breweries, for example, would enable the drawing of more accurate conclusions on the environmental impact of BRECO.

Overall, the empirical contribution of this thesis represents an initial exploration of the workings of the theoretical framework. It falls short of performing a full-blown test of the theoretical ideas. A full-blown test would require focusing on the application of the compatibility and syncretistic models of ESR integration to various industry sectors and other countries in considerably more detail than is possible in a PhD thesis. Extensive surveys of corporate managers across industry sectors are particularly commendable. Their combination with interviews of business consultants should provide robust conclusions about the pathway to corporate environmental sustainability. This research agenda should inform the external validity of the theoretical claims made in this thesis by generating a synergistic view of evidence (Eisenhardt, 1989b; Eisenhardt & Graebner, 2007). Answers may thus be provided to the following question:

Will the concept of syncretism be successful in beginning a new wave of management thinking and practice that will transcend the atomistic, demonstrably unsustainable, yet persistently dominant, paradigms?

The propositions made in this thesis are founded upon optimistic predictions; they should be conducive to further refinement through both qualitative and quantitative research methods. It is hoped that this study will stimulate additional theory-building and conceptual development of the framework.

9.4. Final thoughts – Implications for research, education, practice and policy

The challenge ahead for management scholars is to address the question of whether the scenario sketched in Figure 19 (p. 254) is realisable. Particular attention should be given to the three questions below:

- Will management theorists and practitioners be disposed to sacrifice traditional ways of thinking and doing business in favour of an integrative management paradigm?

ESR integration, it is contended in this thesis, requires the adoption of a more critical stance towards existing ESR theories and their conceptual underpinnings – e.g. contingency theory, RBT, dynamic capabilities, stakeholder/institutional theory. Although this thesis calls for a paradigmatic shift in management theory, the idea is not to reject these long established theories. Instead, the suggestion is to examine the propensity to which they explain syncretistic dynamics and facilitate the implementation of sustaincentric principles and multi-level responses to environmental issues. The syncretistic framework, because it endorses economic explanations for ESR integration, may be deemed less confronting by potential adopters than the stakeholder and institutional theories. It may also be viewed as less instrumental than the contingency theory, RBT and dynamic capabilities owing to the emphasis given to individual constructions.

- Will a collective momentum of conversion to the prescriptions of the syncretistic framework generate a global reconciliation between the ecosystem and business activity?

Some theorists contend that business is the only institution in the modern world powerful enough to foster the changes necessary for environmental and social sustainability (Hawken, 1994). This thesis supports the argument that the integration of ESR in business strategies and operations will benefit from considerations of the concept of syncretism. Evidence is provided for the argument that either the denial of systemic drivers or the inhibition of constructionist drivers can generate a pattern of corporate deviance. The syncretistic framework entails that irresponsible economic and environmental practices are both undesirable, whether they emerge from systemic dominance or individual constructions.

The concept of syncretism seeks to foster commitment to ESR by merging two different and (traditionally) distant management perspectives – i.e. systemic approach (or pragmatism) and

constructionism – into a single, inclusive concept. A number of sustainability/management scholars have highlighted both the obsolete/constrictive nature of technocentric views and the salience of considering constructionist drivers – e.g. leadership and learning – in the quest for ESR change (Braungart & McDonough, 2008; Elkington, 2001; Gladwin et al., 1995; Hart, 1995; Hawken et al., 2002; Robèrt et al., 2002; Zadek, 2004).

By seeking to define more clearly the insights that the syncretistic model expresses, management theorists and corporate managers can work in future to reconcile its conflicting meanings and bridge theory and practice. Ghoshal (2005) discussed the salience of shifting from pessimistic and deterministic views to a more positive and optimistic analysis of business, organisation and management-related issues. The establishment of sustaincentrism as the dominant management paradigm should be conducive to a collective momentum of optimism via the reintegration of ethical/moral concerns (constructionist drivers for ESR integration) in the practice of management. In this context, the prediction is that business activities will tend to harmonise with the ecosystem in lieu of increasingly disturbing its resistance and resilience. As discussed in section 9.2, in a syncretistic company, strategic decisions will make business and societal sense. Because the free market approach advocated by M. Friedman (1970), essentially grounded upon the invisible hand theory of Adam Smith²⁰, led to an overemphasis on shareholder value creation and technocentric views of business at the expense of ESR, a syncretistic transition is desirable.

The idea of coalescing environmental integrity and business performance into one corporate objective links back to Ansoff and Sullivan's (1993) conception of 'environment serving organisations'. The authors advocate the alignment of organisational strategy with the environmental turbulence (constituent of lateral syncretism) caused by, e.g., competitive intensity, market fluctuations (constituents of syncretism from above) (Ansoff & Sullivan, 1993). Ansoff and Sullivan emphasises the salience of knowledge development and the influence of managers' perceptions on strategic response (constituents of syncretism from below) (Ansoff & Sullivan, 1993; Moussetis, 2011). In the wake of Ansoff and Sullivan, the syncretistic model seeks to unfold the underlying mechanisms that catalyse and/or curb corporate momentum toward ESR integration. Clarifying what the business world might look

²⁰ The invisible hand theory entails that, driven by self-interest, individuals will use capital to address market needs, creating value for both consumers and themselves (Sullivan & Sheffrin, 2003).

like when viewed from this perspective and to what extent it might become more sustainable is work that remains to be attempted.

- How can it help humanity prevent the ecological disaster that threatens the whole planet and its inhabitants?

The socio-economic trends outlined in Chapter 1 are based on the premise that business practitioners would fail to adopt a more sustainable path. They would remain imbued with overreliance on the ‘business as usual’ assumptions raised by the WWF²¹ (2012, p. 100) which would establish syncretism as an undesirable ‘transition’ (cf. pejorative assumptions, Figure 4, p. 69). The prediction of the OECD (2012) is that the risk of irreversible changes that could jeopardise two centuries of rising living standards will increase. The need for new thinking about our relationship with the environment is urgent (OECD, 2012). The theoretical insights provided in this thesis, it is argued, provide substance to the new thinking that the OECD (2012) invokes. Syncretistic thinking aims to foster change in the practice of ESR and, in doing so, bring greater attention to the numerous green tools and techniques already available for implementation by businesses (cf. Chapter 2). Integrative theoretical contributions which describe (i.e. sustaincentrism, MLR model) and prescribe (i.e. syncretism) the reinstatement of ESR in the practice of management will arguably contribute to avert the grim future painted by the Environmental Outlook to 2050 (OECD, 2012).

The main challenge is to translate syncretism from a conceptual framework into a theory that feeds the concrete practice of ESR. By reviewing existing research on ESR integration and by going beyond the current literature, this thesis formulates the workings, constituents and boundaries that the syncretistic model provides for a more holistic understanding of ESR mechanisms. The impact of the syncretistic framework is fundamentally correlated with the interest it will receive from management scholars and practitioners. A momentum of consolidation and validation needs to take place to generate a theory based on the concept of syncretism. This particularly involves the integration of the framework in management learning and education. The way future business leaders are educated is determinant to the evolution of the practice of business. Ghoshal (2005, p. 87) comments: “If we really wish to reinstate ethical or moral concerns in the practice of management, we have to first reinstate

²¹ The WWF (2012) notably reports that, by 2050, we will require the capacity of two Earths if we conserve current unsustainable production and consumption practices.

them in our mainstream theory. If we wish our students to contribute to building sustainable organisations, we will have to teach them the theories that describe how they can do so”.

By heightening awareness and opening up the prospects for clearer communication of ESR performance mechanisms, it is hoped that the theoretical contribution of this thesis can lead to a better understanding of the way ESR appears to business practitioners and, through that insight, lead to improvement in practice. In line with the critical realist philosophy, the theoretical model and empirical evidence provided in this thesis can aid managers in thinking about why certain strategies lead to certain outcomes; to try to discover what causes them – or, in critical realist terms, what the causal/generative mechanisms are (Easton, 2010). Managers might be able to improve on existing decision making if they understand the causal mechanisms that are at play (Easton, 2010).

Environmental policy-makers are also concerned. Roberts (2011) draws from Weiss’s (1979) schema of research utilisation to discuss various ways in which research may contribute to policy-making. The schema entails three models which are particularly relevant to explain the implications of this thesis. One is labelled as the knowledge-driven model; the second one is the interactive model; and the third one is referred to as the enlightenment model (Weiss, 1979).

According to the knowledge-driven model, this thesis can contribute to the formation of policy because it defines the problem of corporate environmental sustainability in a novel way. By addressing a fundamental knowledge gap on how corporate sustainability may be achieved, this thesis aims to influence the rise of a new way of conceiving and doing business. If the fictive scenario sketched in Figure 19 (p. 254) becomes real, the propositions of this thesis will be of considerable interest to policy-makers. The production of informed and effective environmental policies will require policy-makers building awareness about the dominant principles driving the practice of management. Knowledge of compatibility scenarios and syncretistic mechanisms may thus contribute to understand the relevance and implications of intervention and inform the development of corrective actions by policy-makers.

This research may also be used by policy-makers more proactively as a complement to the information from business practitioners, environmental nongovernmental organisations and other sources – as Roberts suggests (2011). Because the theoretical propositions made in this

thesis are novel and do not inform existing models of corporate management, an alternative means of influence on policy-making is to conceive of the production of environmental policies as part of a reflection on these propositions. This approach links back to the interactive model of research utilisation by policy-makers (Weiss, 1979). The syncretistic model, for instance, can increase the acuteness of judgment and understanding of policy-makers who claim to encourage corporate greening yet can omit to consider the issue of economic viability. The case of BRECO shows that policy makers may not facilitate the achievement of syncretism if they fail to reward – e.g. in the form of more advantageous cost allowances policies – a firm’s efforts to invest in ESR. The syncretistic rationale prescribes the attunement of policies (constituent of syncretism from above) with the morale/ethics of business actors (constituent of syncretism from below). A holistic mixture of interventions (regulation and voluntary engagement) from a variety of stakeholders is necessary to achieve maximum environmental improvement.

Finally, according to the enlightenment model proposed by Weiss (1979) and discussed by Roberts (2011), concepts and theoretical perspectives can diffuse through journals, media and other channels and permeate the policy-making process without being commissioned by the policy centre. This is the intellectual society model (Weiss, 1979). It describes how concern about a social issue propagated by researchers can sweep through the intellectual and popular thought of society, leading in turn to the appropriation of funds for further social science research into the social issue in question (Roberts, 2011). This model of research utilisation entails that the impact of the theoretical propositions of this thesis on policy-making is essentially a function of the interest they will receive from management theorists and practitioners. Through this process, some level of control by the researcher is required to anticipate what Roberts (2011) refers to as the tendency of concepts and ideas to become oversimplified and misinterpreted by the time they have permeated to the policy centre.

Overall, this thesis points to the responsibility of a broad range of individuals – whether they are involved in the processes of business strategy formation (managers), of business operations (employees), of policy-making or of knowledge development (theorists); not to mention the substantial influence of consumers and nongovernmental organisations. The core responsibility is to pursue (and/or facilitate the achievement of) ‘pro-ESR’ equilibrium between systemic advancement and the moral or ethical construction of the nature of business. The case study of BRECO shows that a firm’s moral standards may not drive the necessary changes to integrate ESR holistically in business strategies and operations if they

fail to be supported by less constrictive systemic forces. This acts to reemphasise the responsibility of the range of actors playing a part in shaping systemic forces (e.g., shareholders, regulators, consumers, etc). As Alvesson and Deetz (2000, p. 17) suggest: “Unnecessarily dominant controls and constraints which distort organisational decisions [systemic forces] and lead to less satisfactory fulfilment of the full variety of human needs and desires [ESR] must be the focus for change”.

Finally, the bulk of existing management and ESR studies draws rational and pessimistic assumptions about both the role of individuals in society and the practice of management (Ghoshal, 2005). In contrast, this thesis calls for the growth of an optimistic perspective that relies on the power of individual constructions to alleviate systemic dominance and positively influence the integration of green in business strategies and operations. It is hoped that management theorists and practitioners will endorse this optimistic agenda and that the theoretical propositions of this thesis will provide substance for debate. Most business practitioners and thinkers presumably share a sense of care for the welfare of the ecosystems as well as human societies. It is this common sense of care that this thesis seeks to reintegrate in management theory and practice, proposing syncretism as the model for finding our way along this path.

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Appendix 1. Dimensions of the ten schools of strategic thinking (Mintzberg and Lampel, 1999, p.23), part A

	DESIGN	PLANNING	POSITIONING	ENTREPRENEURIAL	COGNITIVE
Sources	P. Selznick (and perhaps earlier work, for example, by W.H. Newman), then K.R. Andrews. ^a	H.I. Ansoff. ^b	Purdue University work (D.E. Schendel, K.J. Hatten), then notably M.E. Porter. ^c	J.A. Schumpeter, A.H. Cole, and others in economics. ^d	H.A. Simon and J.G. March. ^e
Base Discipline	None (architecture as metaphor).	Some links to urban planning, systems theory, and cybernetics.	Economics (industrial organization) and military history.	None (although early writings come from economists).	Psychology (cognitive).
Champions	Case study teachers (especially at or from Harvard University), leadership aficionados – especially in the United States.	“Professional” managers, MBAs, staff experts (especially in finance), consultants, and government controllers – especially in France and the United States.	As in planning school, particularly analytical staff types, consulting “boutiques”, and military writers – especially in the United States.	Popular business press, individualist, small business people everywhere, but most decidedly in Latin America and among overseas Chinese.	Those with a psychological bent – pessimists in one wing, optimists in the other.
Intended Message	Fit.	Formalize.	Analyse.	Envision.	Cope or create.
Realized Message	Think (strategy making as case study).	Program (rather than formulate).	Calculate (rather than create or commit).	Centralize (then hope).	Worry (being unable to cope in either case).
School Category	Prescriptive.	Prescriptive.	Prescriptive.	Descriptive (some prescriptive).	Descriptive.
Associated Homily	“Look before you leap”.	“A stitch in times saves nine”.	“Nothin’ but the facts, ma’am”.	“Take us to your leader”.	“I’ll see it when I believe it”.

^a P. Selznick, *Leadership in Administration: A Sociological Interpretation* (Evanston, Illinois: Row, Peterson, 1957);

W.H. Newman, *Administrative Action: The Techniques of Organization and Management* (Englewood Cliffs, New Jersey: Prentice-Hall, 1951); and E.P. Learned, C.R. Christensen, K.R. Andrews, and W.D. Guth, *Business Policy: Text and Cases* (Homewood, Illinois: Irwin, 1965)

^b H.I. Ansoff, *Corporate Strategy* (New York: McGraw-Hill, 1965).

^c K.J. Hatten and D.E. Schendel, “Heterogeneity within an Industry: Firm Conduct in the U.S. Brewing Industry, 1952-1971”, *Journal of Industrial Economics*, volume 26, December 1977.

M.E. Porter, *Competitive Strategy* (New York: Free Press, 1980); and

M.E. Porter, *Competitive Advantage: Creating and Sustaining Superior Performance* (New York: Free Press, 1985).

^d J.A. Schumpeter, *The Theory of Economic Development* (Cambridge, Massachusetts: Harvard University Press, 1934); and

A.H. Cole, *Business Enterprise in Its Social Setting* (Cambridge, Massachusetts: Harvard University Press, 1959).

^e H.A. Simon, *Administrative Behavior* (New York: Macmillan, 1947); and

J.G. March and H.A. Simon, *Organizations* (New York: Wiley, 1958).

Appendix 2. Dimensions of the ten schools of strategic thinking (Minstberg and Lampel, 1999, p. 24), part B

	LEARNING	POWER	CULTURAL	ENVIRONMENTAL	CONFIGURATION
Sources	C.E. Lindblom, R.M. Cyert and J.G. March, K.E. Weick, J.B. Quinn, and C.K. Prahalad and G. Hamel. ^f	G.T. Allison (micro), J. Pfeffer and G.R. Salancik, and W.G. Astley (macro). ^g	E. Rhenman and R. Normann in Sweden. No obvious source elsewhere. ^h	M.T. Hannan and J. Freeman. Contingency theorists (e.g., D.S. Pugh et al.). ⁱ	A.D. Chandler, McGill University group (H. Mintzberg, D. Miller, and others), R.E. Miles and C.C. Snow. ^j
Base Discipline	None (Perhaps some peripheral links to learning theory in psychology and education). Chaos theory in mathematics.	Political science.	Anthropology.	Biology.	History.
Champions	People inclined to experimentation, ambiguity, adaptability – especially in Japan and Scandinavia.	People who like power, politics, and conspiracy – especially in France.	People who like the social, the spiritual, the collective – especially in Scandinavia and Japan.	Population ecologists, some organization theorists, splitters, and positivists in general – especially in the Anglo-Saxon countries.	Lumpers and integrators in general, as well as change agents. Configuration perhaps most popular in the Netherlands. Transformation most popular in the United States.
Intended Message	Learn.	Promote.	Coalesce.	React.	Integrate, transform.
Realized Message	Play (rather than pursue).	Hoard (rather than share).	Perpetuate (rather than change).	Capitulate (rather than confront).	Lump (rather than split, adapt).
School Category	Descriptive.	Descriptive.	Descriptive.	Descriptive.	Descriptive and prescriptive.
Associated Homily	“If at first you don’t succeed, try, try again”.	“Look out for number one”.	“An apple never falls far from the tree”.	“It all depends”.	“To everything there is a season....”

^f D. Braybrooke and C.E. Lindblom, *A Strategy of Decision* (New York: Free Press, 1963); R.M. Cyert and J.G. March, *A Behavioural Theory of the Firm* (Englewood Cliffs, New Jersey: Prentice-Hall, 1963); K.E. Weick, *The Social Psychology of Organizing* (Reading, Massachusetts: Addison-Wesley, first edition 1969, second edition 1979); J.B. Quinn, *Strategies for Change: Logical Incrementalism* (Homewood, Illinois: Irwin, 1980); and G. Hamel and C.K. Prahalad, *Competing for the Future* (Boston: Harvard Business School Press, 1994).

^g G.T. Allison, *Essence of Decision: Explaining the Cuban Missile Crisis* (Boston: Little, Brown, 1971); J. Pfeffer and G.R. Salancik, *The External Control of Organizations: A Resource Dependence Perspective* (New York: Harper & Row, 1978); and W.G. Astley, “Toward and Appreciation of Collective Strategy”, *Academy of Management Review*, volume 9, July 1984, pp. 526-533.

^h E. Rhenman, *Organization Theory for Long-Range Planning* (London: Wiley, 1973); and R. Normann, *Management for Growth* (New York: Wiley, 1977).

ⁱ M.T. Hannan and J. Freeman, “The Population Ecology of Organizations”, *American Journal of Sociology*, Volume 82, March 1977, pp. 929-964; and D.S. Pugh, D.J. Hickson, C.R. Hinings, and C. Turner, “Dimensions or Organizational Structure,” *Administrative Science Quarterly*, volume 13, June 1968, pp. 65-105.

^j A.D. Chandler, *Strategy and Structure: Chapters in the history of the Industrial Enterprise* (Cambridge, Massachusetts: MIT Press, 1962); H. Mintzberg, *The Structuring of Organizations: A Quantum View* (Englewood Cliffs, New Jersey: Prentice-Hall, 1984); and R.E. Miles and C.C. Snow, *Organizational Strategy, Structure, and Process* (New York: McGraw-Hill, 1978).

Appendix 3. Example of interview transcript: 29 April 2011 with a business consultant (INF₁₃, via Skype).

Researcher: Can you tell me a bit more about [REDACTED]? What is your activity and who are your clients?

Interviewee: [REDACTED] is a fairly new firm but it's a rebrand of an older one. [REDACTED] itself began about 4 months ago, we started at the start of the year. It's rebranded from a firm called terraconsult which was founded in 2001 but it has sort of antecedents because that's since 1991. It's called a sustainability consultancy firm with two general area of work. One is actually public sector, so to work with is called in the UK statutory bodies, bodies who have the responsibility to look after aspects of the natural environment: the role of business, the links between environment and health, environmental data, those sorts of things... So what we call natural environment stuff.. Then we have a side which is looking at corporate sustainability focusing around I suppose an array of activities. It's direct consultancy work where we would work with a client that want to support development for their sustainability strategies, policy; in particular support how they understand sustainability as a business driver, the sort of what you might call the business case. Looking at developing benchmarking analysis, best practice comparisons, that sort of stuff... So that's sort of conventional consulting work. We also have a way of delivering our work which is through either interactive processes or training processes. What we may imply in interactive processes is facilitating workshops designed with a particular outcome in mind. As an example of that, I could develop a strategy for a client...

R: What do you mean by developing a strategy for a client?

I: Sustainability strategies although one of the concepts that has been working these past years is to try to support and encourage clients in understanding the strategies and implications of sustainability, we discussed that a little bit. So there are two things we mean when we say strategy. One is corporate strategy, what the company exists to do, how it communicates that. Then there all of those several levels of strategy underneath that: There is all set of strategies for different areas or activities of work of which the sustainability strategy might be an aspect. Most companies won't have a sustainability policy or sustainability strategy so they won't necessarily have an explicit commitment to sustainability within their corporate strategy. One of the things we are trying to do over years with relative, limited success (and there are some good reasons for that) is increasing the focus upon the corporate strategies, what companies are about. I don't know if you've read the documents that I sent you links to. As you know if you've read the one about profit evolution. One of the things that we said there is, if people don't understand sustainability as a strategic imperative then there are going to be some challenges: one embedded within business, two in terms of driving business values, three in terms of attracting investments

R: In these documents [referring to research papers produced by I and sent to R before the interview], you're talking about value creation, about companies trying to identify critical environmental issues. How does that work in practice?

I: Well, I mean, broadly speaking, we sort of believe that sustainability is essentially a sort of label for a bunch of issues that have had problems, and you interpret it financially. Now, in economic theory terms, it's because they tend to refer to things which are externalities. They tend to refer things which are not necessarily well priced by the market place or are just partially priced by the market place The climate change is an interesting one where we are entering into a dynamic where it is seen to be an issue in environmental and social terms and therefore people are starting to say 'well, how do we start to get people to pay more attention. Well we need to have a price for it to make sure that people are having a dimension to it. And broadly speaking you could say that one of the challenges that a number of issues have had is their ability to be priced. So, in a sense, what we are trying to say is: look, these things have an implication to your core activities, the environmental and social trends may have an impact on the company's ability to deliver against its strategy. Another example might be, if you're a firm that mines indium for use within the flat screen monitors the continuing availability of indium as how much is left on the ground should be strategically important to you.

R: Do you think that business actors, according to your experience, pay enough attention to these environmental and social issues?

I: I mean, there's sort of two things. There is one that we shouldn't forget that there is plenty of money to be made by not paying a huge amount of attention. We feel as now that the continuing ignorance or not proper strategic attention to these issues will start to be a problem but broadly speaking, companies find it hard to understand the business case, so the relationship between these issues - which might be seen as externalities - to their business model.

R: How can this be a problem in the future for businesses?

I: Well it would be a problem if the market won't be able to return for it, trends that will have an impact upon the market. If things are completely not priced or aren't translated into things that are going to affect the delivery of the strategy, then it's unlikely that companies are going to be able to respond in advance of challenges that might arise to resolve issues. Does that make sense?

R: Yes, how about these responses, does it need a specific type of leadership to put into place these kinds of sustainable practices and kind of leadership do you think is needed?

I: That's a very interesting question. It is a question of leadership to an extent in a sense that what was saying in some of the work we have done is saying that sort of true leadership in companies is paying attention to the operating context in which they work and that the conception of that operating context needs to be wider than it currently is. If you take an example, this was again an example in terms of risk. We did a little piece of work for the world economic forum last year looking at risk networks - who looks at what in terms of risks. What we found is that you will have a risk function in a business - risk committees and risk offices - and what they tend to look at are risks that directly arise through their activities or are in the immediate operating context and might affect their ability to function. So an example might be the pharmaceutical sector where the focus of a risk office within a pharmaceutical company tends to be upon their drugs pipeline and the regulatory risks, so if you just come to regulate, what's the implication for that regulation. It's a much higher level, one of the big challenges for the pharmaceuticals in general is antibiotic resistance. So the widespread use of antibiotics is creating a resistance in the population towards those antibiotics, that is the effect of the antibiotic is reducing. So that is a risk, what is

called an extrinsic risk which is a risk that arises through the activities of a bunch of individual actors (excessive consumption of antibiotics?) but it's not within the risk purview of any particular company to be paying huge attentions to those things. Does that make sense? So what they tend to look at is risks to the current business model that arise directly, not extrinsic risks... So risks that arise through the activity or multiple activities.

R: In this respect, do businesses tend to look at complying with regulations rather than go beyond them?

I: yes, broadly speaking. I mean there are certain companies that are sort of seeing the implications of their actions in slightly different ways. How do we interpret the trends in such a way that we're not subject to the risks that we might be if we didn't? So broadly speaking, it's a very normal human thing to do, to say 'in the context of my understanding on how life works, how do I understand the risks and there tend to be boundaries of the sort of a point. The ability to see that risk only comes when you are looking at the system as a whole, not necessarily when you are looking from the perspective of one actor in that system or one institution. And that's the sort of metaphor that is quite a challenge to rise a proper number of environmental and social issues.

R: What do you mean by 'looking at the system as a whole'? What would you call a system?

I: Well, say with regard to the former example, the system would be the aggregate use of antibiotics by the pharmaceutical industry as a whole and its implications for antibiotic resistance in the population. So that would be in that sense the system as a whole but it's not necessarily in the immediate interest of any actor to be saying: 'hang on, our sales of these products are going to cause a problem for us in the future' or they might perceive that there is a challenge but because they are only one actor in the whole system, they can't necessarily do much about it.

R: How would you draw attention to 'the system as a whole', the attention of managers? How does it happen? What would you advise to a company?

I: What we tend to try to do is to take a few simple steps. Few simple steps would be to look at the actors, every single one at a particular company, we try to analyse the social and environmental trends that they are subject to and that they give rise to, so risks to the trends from their activities and risks from those trends to their activities. What we are then trying to do is to say: which of these issues that arise, that are pertinent to you are the priority issues. That's a process called materiality assessment which you may have heard. We then ask them to focus, once they have identified the material issues, in terms of pertinence and priorities of environmental and social issues, we would then ask them to write those within the materiality assessment and develop an understanding of how they would respond to those using a pretty simple model that you probably came across, that's the control, influence (interference) and concern. It's an extremely simple one. What it does is: it draws three spheres of growing signs. In the middle is the sphere of control, that is what a company is able to directly affect through its action, so its own operations, its relationships with suppliers and, to some extent, its relationships with the market place, that is the distribution of its products. The sphere of influence is how it can use its market power or redirect its strategy to change the or to affect wider than the sphere of control. So that might be further down the supply chain, it might be with regulators, it might be with peers, etc. Now the reason we have three circles is because the outside one is the sphere of concern. One of the challenges in sustainability is quite often people can get high up into the sphere of concern which is: 'oh my god this issue is so big, it affects everyone and I don't know what to do'. Climate change is one. So everyone engaged in a global issue and they find it difficult to relate that back down to what they are able to do about it in terms of control; i.e. their own operations and influence, i.e. their relationship with other players in the market place. So we would use that model as a way of actually defining a set of actions which can influence according to their strategy. The climate change strategy, let's say to reduce their direct impact by 50% and seek to influence either their wider sector or their partners and their stakeholders through a set of activities. So what you're trying to do is draw down from a bigger situation into what's the implication for the company and what the company is able to do about those things. Does that make sense?

R: Yes it makes sense. So would you say that there is a need to broaden the vision of managers?

I: Yes, I mean, broadly speaking, what we feel, as I mentioned earlier, is that sustainability issues - pertinent to the activity of a company should be understood as part of the operating market or operating context of a company and that sustainability managers within companies should have a responsibility and an interest in understanding how changing sustainability or social and environmental trends would prevent either risks or opportunities, so a company strategy.

R: In terms of the environment, what would you say are the principal difficulties for businesses to implement a green agenda?

I: Several obstacles. One, as we mentioned, is the ability for environmental issues to be understood as influencing cost or risk and the challenges of what price environmental issues have. So, broadly speaking, the sort of business case agenda. How can a company understand the risk and opportunity dimensions of a particular course of action. So there is a challenge in pricing: if there is an issue and how is it an issue, how would it affect the financial performance of a company. The second level is a cultural one to some extent, which refers back to the ideal of and the conception of these things as externalities which people tend to perceive businesses quite narrowly...

R: What do you mean by narrowly?

I: Well, I mean, you still get the sort of statements like: the business of business is business and it's nothing else. Now, for my perspective, the counterargument of that is that business is about delivering social utility. If you look at what the purpose of business is: it's doing something that people want to buy, essentially. Now, when someone wants to buy something, it's because it has some social utility, whether it's because it fulfils a social need or fulfils a social want. So, for my perspective, there is really not much future in the idea that businesses only exist to generate money because it exists in the context of society. So, culturally, there is a challenge that the business is drawn quite narrowly. Through the activities of business it's starting to produce risks which are shared beyond business. So the costs of business activity are born often by parties or actors that aren't part of that business. So that's sort of a cultural issue.

R: What do you mean by cultural issue?

I: I mean that the business conceives of itself as being separate from the wider society...

R: Is that an observation you make in your experience?

I: It can be the case. I think it started the idea that businesses can see themselves as a part of society and potentially able to solve some of the big picture issues. So I think that's changing but broadly speaking, I think that most businesses are still

about money. They're about money in a narrow sense. Essentially, the attitude to sustainability or social and environmental issues tend to be: 'look, if we can make money, if we've got a surplus, then we can spend some of it on environmental and social issues' rather than saying 'we derive our wealth from a function in environment and we have risks that are posed by changing environmental conditions...' So, as yet, there's still a lack of what I would call strategic integration and a real understanding that these things will shape how business can operate in the future.

R: Would you say that companies are looking more at short-term profits?

I: I think it depends. It varies from company to company. But if you're a company, then there is enough pressure to be able to primarily produce results that are positive and then there may be a perspective on the longer term. There are companies who by their nature have to make longer term decisions, whether it'll be investing in a facility that they imagine would last 35-40 years or who are depending upon a resource that is recognised to be scarce. There is a challenge between the short term measurement of success and the long term ability to respond to sustainability issues.

R: Have you ever come across a case of company failing to be sustainable?

I: Examples of companies that have failed through a lack of environmental and social responsibility. There is certainly some companies that have suffered. I've been doing some work on the Phillipines for Easyjet. While we were doing that, a couple of mining firms have had their license to operate revoked because of their environmental and social performance. They understood the reasons, it wasn't because they weren't paying taxes to the government, it was because they were extracting a lots of poisonous material and in exploiting part of them, people were dying. Another recent example is a firm called Vedanta Resources which is an Indian mining firm. They had quite a lots of problems with one of their sites. They had a lot of reports written by NGOs criticising their activity. In response to that, one of their bankers commissioned an independent piece of work reviewing the problems that they were having, putting a number of recommendations about what they should do in response to that. That's the sort of sign, if you like, that certain types of stakeholders, i.e. banks, are paying attention to these sort of things. They will be examples of other companies which had different types of challenge because of their social and environmental performance. So another one would be obviously Nike and the labour issues. Now, whether you complain towards, you can still admit that Nike is an immensely successful company. So to what extent do these issues cause a financial problem? It's very simple black and white cases at the moment. It's clear that you can be pretty conventional, pretty unsustainable and still have a very successful business. ExxonMobil which in the oil industry is considered to be one of the laggards, one of the few companies that hasn't responded strongly to the climate change debate and yet the world biggest companies. So it wouldn't be true to say that there is an absolute clear relationship between ignoring environment and society and failing as a business.

R: So you mean, companies can be successful and unsustainable. Does that mean that consumers don't really pay too much attention on the sustainable performance of companies?

I: They do as they have the luxury to do so. That might be because there is an inability to differentiate between one company and another through an independent label, more if they've got enough money or interest to pay attention. Broadly speaking now, there is not a lot of difference between a company, depending on the type of company it is really... So if you take the UK clothing sector, there are more ethical and less ethical brands and essentially price tends to come first to consume those. So if you're more expensive, more ethical than competitors, the vast majority of consumers will buy on price, not on ethics. It has to be a particular slice of interested and engaged consumers that will make it a particularly positive choice for more ethical components. It's all in extremely early stages and the sort of business case for sustainability only exists as a logical lens not necessarily a very practical one.

R: So not a practical one because it may not increase sales or profits...

I: Yes, we see that if you take a reasonably long term perspective, then companies will need to understand that they depend upon the continuing availability of resources and the continuing functioning of the vital systems. The challenge that we've got is stating that truth in a such a way that companies can engage in given the constraints that they work within, i.e. measured on a short term basis and then economics tend to value economic activity rather than sustaining activity.

R: By seeking to understand these potential opportunities, do you think that companies are willing to learn? Are they using tools and techniques?

I: Yes, I mean that, increasingly companies are starting to be aware and acknowledge that some of these issues present real, manifest risks over the medium term. Companies are getting in the sort of things that we did for world economic forum was about supporting companies in perceiving the system level risks that modern society is currently facing. Companies are increasingly more comfortable to explore the implications of environmental and social trends. The challenge is for them to look at this in an abstract form, i.e. in 30 years time, x, y, z might have happened. The challenge that they have got is in understanding what are the implications of that future thinking for their current thinking. A great example of this is an organisation called the World Business for Sustainable Development. If you take the acronym down: WBCSD. They recently, I think a couple of years ago, did a project called, I think it's called 2050 vision. That was a bunch of global companies developing a scenario of what the world could be like in 2050. And that is really interesting. We were involved with someone who was part of that for Boeing, the air plane company. He said, the challenge that I have in taking this 2050 vision back to the company is mapping out the steps that it would take to get from here to there. He said, people understand why we would be there in 40 years time but they don't understand how we would get from here to there Which is an interesting one: there is philosophical issues, there are issues of culture, of perception, of the idea of understanding something when it's abstracted from what we currently recognise as reality. The challenge is to get from here to there, broadly speaking.

R: That's very interesting. Companies, instead of forecasting, would backcast, and build scenarios for the future, trying to adapt but it seems to be very difficult to adapt...

I: Absolutely, backcasting is a fairly well recognised technique in sustainability or vision development, all of these things. So even if the technique is there, the challenge is how seriously a company will take that vision at hand, develop a strategy that will allow it to follow the backcasting model.

R: So they don't know what specific targets to achieve, they don't know where to go exactly...

I: Yes, I think there's two things: it is a lot about detail but there is also a challenge: if the level of detail requires behaviours which are much a variance to current behaviours then the huge challenge in stopping doing what we are doing now and changing such that we are on a path towards meeting that vision...

Appendix 4. Example of interview transcript: 4 April 2011 with BRECO's CEO.

Researcher: To begin with, if you could just define the mission of [BRECO]. In one statement may be, very shortly.

Interviewee: Sure. [BRECO] is an [REDACTED] company, first and foremost. The role of [BRECO] is to become one of the most world loved brands in the East of England and London. If it's well loved by its consumers, it follows that the business will be well.

R: On the web site you refer to the fact that the business ambition of [BRECO] is to prepare the company for a changing market place...

I: Indeed. That relates to a number of developments that we made over the last few years. This is the introduction of several kitchen shops. This is the introduction of a distillery on the side of the brewery. We are diversifying slightly because we are working in a very competitive market but also a declining market. Therefore, it was important to diversify, but diversify into a Jason market to where we already operate. Also the one part of that market that is growing is sales through the off-trade: so shops. So we felt it was appropriate to take our expertise, buying the appropriate retailing expertise and develop a chain of shops as well. That's something else that we've done.

R: What would you say are the core competencies of [BRECO]?

I: The core competencies of [BRECO] are the manufacturing and distribution of alcoholic drinks.

R: You talked in the presentation you made in London about the specificities of the natural environment here. How does it relate to [BRECO]?

I: Obviously, you are here today and you know that we are right by the coast. So you see the rise and fall of the North sea every day. At times, there have been environmental issues when you get a spring tide, that's a high tide and the North sea surge... if the wind conditions are right, bits of the sea front here gets washed away. The sea comes in round the back of [REDACTED] and creates [REDACTED] into an Island; And there have been times where it has been difficult to get our distribution vehicles out. Some of our pubs have flooded. And there are bits on the East coast that have been surrounded to the sea. These things relate to [BRECO] and the environment and that's something that we look with every day.

R: So you have no choice but to combine with elements...

I: Absolutely. That follows from there that we live in this place that is of outstanding natural beauty. Therefore, it means that we have to not only have concerns for the natural environment but also the built environment.

R: So you're trying to work beyond regulations, in collaboration with the region...

I: Absolutely right.

R: How does that work in practice?

I: I think it does work in practice. We've built a number of buildings in this area with outstanding natural beauty. We've had no problems in getting planning permissions because we've built buildings that are sympathetic to the environment and actually enhance the environment rather than detract from it.

R: You were talking about leadership as well in the presentation. Transformational and distributed leadership: what do you mean by that?

I: Transformational leadership is what we are looking for our leaders to be able to do, that is to create a vision for the future, be able to build trust in their followers. Things that you do around that are: building self-esteem, ensuring that the work place is a very honest and open place. In doing that, you can get people to follow you to a new place, creating a vision of what's on the other side of the change that you are making. So that's important that we need. But that leadership isn't just vested within me as CEO. That leadership role is vested in others as senior managers and managers of people throughout the organisation. That's what I mean about distributed leadership: it doesn't all vest in one individual, actually it's a collective message.

R: Do you think that without this kind of leadership, you wouldn't be able to build what you have built so far?

I: I think it's more difficult. I'm not going to say that it couldn't be done and I think a very charismatic leader, may be, could carry that off. But I think it's more difficult and it's more difficult to get the buy-in to what the vision might be because in some research that we've done, we found that the most trusted person amongst our staff is their immediate boss. So if their immediate boss is saying this is a good idea, they're more likely to buy into that as a concept.

R: Can employees inspire change as well or are they just followers?

I: I hope we are inspiring change in employees. There have been smaller changes but equally as important. I've given the story about when our hotel staff went in the source blankets as off cats from the textile industry and had those made into blankets. Rather than use outdoor heaters, they wrapped customers in blankets. Alison at our distribution centre spends a lots of time communicating about environmental initiatives that people can do at home and in the work place. Staff themselves, one of us came up with the idea of making the lightest weight bottle on the market. So there are examples of change that's been inspired by individuals.

R: And beside, you have been working with Universities...

I: Indeed, we work with the University of [REDACTED], first and foremost. The university of [REDACTED] have a strong school of environmental sciences and they are big in the climate change space as well. So we've worked with them and we've done some knowledge transfer with them around carbon foot printing of products. So that's been very, very useful. We work with Imperial College in London. We have some interns from there. We've also worked with Cranfield University on leadership. They've done a case study on [BRECO] on transformational and distributed leadership and they're working on it at the moment. Now we're working with your University. We think it's really important at two levels. One it's important so that what we do is grounded in some theory. But it's also important for us for marketing perspectives as we are preparing the business for a new future that we start talking to generation 'Y' about what we are doing with the business. Today's students are tomorrow's consumers of [BRECO] products. So it works on two levels.

R: So you may need a kind of model to frame and symbolise your business....

I: For us, this is a sort of stakeholder engagement. It's part of the stakeholder engagement model we have. We think engaging with universities in the way that we are is a really strong way of talking to next year, next month, next five years' consumers. But also, working and grounding what we are doing into theory: that's important.

R: What would you say were the main obstacles to breeding such a business model?

I: I think the business model, because it has a long term focus, and I think it's very helpful, the corporate governance code now has codified that the director should work for the long term. But the media and some shareholders, not all shareholders, most shareholders buy into our long view but some shareholders still have quite a short term perspective. So you have got a raw tension between working for the long term and delivering in the short term. Some of the investments that we have made have probably been about 20% more expensive because we are working for the long term, because we've built environmental features into them. Therefore, some of the shareholders and media with a short term perspective would see that from a critical perspective.

R: How did you manage that?

I: By dialogue. In dialogue, in conversation, in trying to explain what we're doing and I think that's beginning to come through now.

R: Can you describe the structure of the company, the divisions. What are the different function of the company?

I: First of all, it's important just to talk about the financial structure of the company. The company is traded on stock exchange; it's called the PLUS market. And it has two tiers of shares. There are A shares that are held by founding families and staff. And there are B shares freely traded on the market. That enables the company to take this longer term perspective because it can rely usually on families, it's not just the [BRECO] family, there are other families as well and staff to support those aims. It also has these B shares which are traded and quite frankly, most of those B shareholders support those long term aims as well. So it seems quite a strong position although my earlier comments about short term versus long term apply. In terms of the company then, we have a very small corporate team. We have my chairman: [REDACTED], myself and the Finance Director and some secretary and marketing support. And that is the corporate team. We then have brewing, brands and pubs which is where all of our brewing operations sits, all about distribution and logistics operations and our customer contact. So that all sits in there. There are two corporate functions sitting there as well which are HR and IT and we've put them in there because the lady that leads that team, her name is [REDACTED], she's Operations Director and has quite a strong grip, almost two central functions that are vital for what we're doing. On the other side, we've got our retail business which is our shops, which is our online business, which our mail order business, and which is our hotels business. In that business, [BRECO] interacts directly with the consumer. So you're staying at one of our hotels, you're meeting [BRECO] staff, you're talking to [BRECO] staff. Whereas in the other business we are selling to a third party who then sells the products to consumers. And that's our retail business. And effectively, you have about 50 millions ish turnover, you have about 28 millions in brewing and brands and the remaining 22 millions in retail.

R: It's very spread in different areas, is it difficult to spread this eco-friendliness?

I: That links into your sort of model of distributed leadership really. As long as we've got people in these different places who are taking that leadership role, it's not so much of a problem.

R: You made, as you said, heavy investments in technology, the distribution depot and the brewery. What was the thinking behind it?

I: We are very fortunate in many respects. We made those decisions in the mid 2000s, the economy has since become quite difficult. But we did need to renew our infrastructures. So our brewery, effectively there were parts of the brewery that were 100 years old. Our distribution was located in the centre of the town here and we were having 50 heavy vehicle movements per day. So it's clear, partly because of our responsibility and our values to preserving this very beautiful place and partly because operationally it was very difficult to operate. We had to move. So we were going to have to move and make investments anyway. At that point, as a board of Directors, we said: let's make some investments that we can be very proud of and are going to support our values of trading more lightly on the planet. So that's what we did. In our business case, we built in a view that fossil fuels would continue to rise in price. And businesses that pollute are going to have to pay for that pollution. So the less we need to rely in fossil fuels and the less we pollute, the longer term view is that this business will be well placed for the future.

R: The distribution depot, where it is located now, how does it work in terms of transportation....

I: In terms of transportation, if you were going to start a business, you wouldn't start it here because it's as far east as you can get in the UK. But equally, it needs to work with our marketing and our marketing is very much around sense of place and the beautiful place where we live. So we wanted to preserve the cultural home of the company rather than just move it somewhere else. That was an important consideration. It is not such an issue. Actually road links are improving all the time. With our anaerobic digestion plan, we're going to move those vehicles to running on bio-methane so the environmental impacts will be lower.

R: So at the moment, how would you define the link between the environmental impact and the transportation system?

I: There is a trade-off in there because we've got trucks that run on diesel but there haven't been many alternatives to date. Now the team works very hard of making sure that we have as full of vehicles as possible. We route and schedule those vehicles very closely to ensure that they are used to their optimal. However, there is trade-off there all the time.

R: How do you control CO₂ emissions?

I: Well, vehicles are all... It's a relatively new fleet. And they are following the euro 5 or 6 or 7 emissions laws. But the longer term plan was: we were prepared to go beyond that. We are not content with that and therefore we want to move into the bio-methane powered vehicles as quickly as possible.

R: And in your buildings, brewery and depot, do you have a system to control emissions?

I: Yes, the technology in itself means that you lower emissions and I'm pleased to say that in our annual report 2010, although our volumes fell, our overall carbon footprint continues to come down even though we open more shops. How do we control it? Well the brewery is a very much technological solution, it recycles a lot of heat that it uses and by far the most energy and resource intensive part of the brewing process is boiling water, so the more of that we can retain, the better. In

terms of the distribution centre, its contraction means that actually to keep the product at the ambient temperature, the construction acts much more as a thermos. Making that thermos in the way that it has means that we don't have to use any artificial heating or cooling. So we've systemised these controls thanks to the technology.

R: Did you reduce the number of employees over the years?

I: The number of employees probably has come down. It's building again now in different parts of the business because 100 year old Victorian brewery required many more staff to run it than did the modern plant that we have now. And ditto in distribution. But what we have done is we started to build a retail business and that indeed requires more staff. So people have come out of production, engineering and logistics types of jobs and moved into either marketing or retailing jobs.

R: I would like to talk about your extra business activities, apparently you are cleaning the coast four times a year.... How did it happen?

I: Again, that was an innovation by one of our staff. It would a good idea to demonstrate our sort of stakeholder engagement, our responsibility towards community, to use [BRECO] staff at the week end to clean the beach a couple of times a year before the tourists arrive and then clean up after they've gone at the end of the summer. That has developed into something that has some shareholder support, some consumer support. Again, it's an example of [BRECO] reaching out into the communities and taking the stakeholder engagement.

R: Is that part of kind of trying to maintain [BRECO's] reputation in this respect. How do you see the short term future of the business now?

I: The short term and long term future of business is quite good I think. It is very much moving to quite a sharp focus on the consumer, a sort of consumer facing business. Therefore, it will be subject to the levels of consumer confidence that we have. And at the moment, consumer confidence is not as strong as it could be because of the great recession we just had. If you look out to the future, this business is going to remove itself as much as possible from the national grid. It's going to be generating its own energy. It's not going to be polluting the atmosphere. It makes good products, it's talking to the next generations of consumers in quite a meaningful way, not only by engaging at University level but through social media: twitter and facebook and things such as this. So I think the future for the business looks pretty strong.

R: You are just operating in the UK at the moment?

I: We have some export markets. We have Scandinavia that is quite strong for us. We are talking to market in North America around the East and sea board and we have got some business on the West coast. We have some business in Eastern Europe. Canada is a target for us. So we are looking to extend our market and our export opportunities is going to be around the quintessentially English beer from the coast. But also, there is still a lots to go for in our home market which is South East of England and London.

R: Where do you get the wine from?

I: Wine comes from around the world. We buy wine from boutique wine makers who by large share our environmental ethos. So we work with small producers, both European and New World. I think around 20% of that wine list is either organic or biodynamic wines. The trade-off there of course is that we do need to ship this wine from around the world. Shipping is not the most environmentally friendly thing. So we are looking at ways of dealing with that. But our volumes aren't strong enough at the moment in that sector to enable us to bring the wine over in bulk and then bottle in the UK.

R: What are the most successful activities?

I: The most successful activities, by far, are selling beer and our pub operations. It depends how you define success really I suppose. In terms of profitability, brewing beer and selling beer through our pubs are probably the most profitable activities. Brewing beer and selling it to a third party is another profitable activity. And retailing shows a lot of promise. All of that businesses, including the hotels business are good and they are profitable. Some require greater capital investment than others. Retail is a business that is quite highly geared operationally but it doesn't require huge funding in terms of capital investment.

R: You were talking about shareholders before. How are the relations with them?

I: They tend to be the institutional shareholders who have to work on a...., by definition, they need to work on a short term perspective. Individual shareholders are by large buying into the [BRECO] Story, what [BRECO] stands for. And by doing that, by definition, they are prepared to take a longer term perspective.

R: And how did customers respond?

I: Customers have been very positive. Our customers where we serve them directly, so where our vehicles deliver to pubs and our sales would go into pubs in a market that declined last year by 8.1%, we grew by 9%. Where we've had difficulties is where we go through a third party. So we take into our distribution centre and then they are distributed to other pubs and that's been more difficult because pubs throughout the UK have been having a very difficult time. There has been a lot closing and there is a lot written about that, you'll be able to find out... Our customers in cellar ad kitchen stores have grown exponentially and our footfall that measure of our customers going into our stores is up 30% in the whole year.

R: Do you think that [BRECO's] reputation is helping the company to go through the crisis?

I: It's certainly not hindering it. I think a reputation of a company that does things right is important.

R: What was the impact of regulations? You're saying that you work beyond regulations so how do you impact on regulations?

I: Well, we look to work beyond regulations where it's appropriate. Clearly, we make a product that, if misused, alters people's mood: alcohol. So we work in a heavily regulated industry anyway: labelling requirements, sales of alcohol is heavily regulated. We are prepared to put our money where our mouth is around that. We have some of our beer mats which have harm reduction messages and so you can't have too much of a good thing. Those small things over there (showing the office walls). We worked with a drug and alcohol harm reduction charity to come up with alcohol messages, harm reduction messages. So, in the field of alcohol, we think we're doing our bit. In the field of the environment, we think we're going further than we need to do. What we are waiting for is legislation to catch up and I think it is starting to catch up.

R: Do you have an example of gaps?

I: I think things such as a price for carbon would be an important thing...

R: That would be an advantage for you in terms of competition?

I: Yes, because bigger carbon emitters would have to pay more. The government has announced the floor price for carbon, I don't know if you realised that. I think, as environmental legislation gets tightened down, if you can't comply, you're likely to have to pay for that. So ultimately there is an element of competitive advantage in this environment.

Appendix 5. Semi-structured interview guide used on 29 April 2011 (Interview with INF₁₃)

1. Can you tell me more about the activity of [REDACTED]? Who are your clients?
2. What kind of void are businesses trying to fill by working with [REDACTED]?
3. What are the key drivers to environmental management?
4. Do you have any examples of good practice of corporate environmental management? What do they do well?
5. Any examples of bad practice? What do they do wrong?
6. How do you perceive the role of leadership in driving green performance? The role of communication?
7. What kind of changes do you think companies need to make to be more environmentally-friendly?
8. Are companies willing to learn new management methods to become more environmentally friendly?
9. Are businesses more likely to look at short-term or long-term?
10. Are companies using (or seeking to use) any tools and techniques to improve their environmental performance? 6 Sigma, lean, life cycle analysis, footprinting, etc.? Or do they tend to develop their own tools?
11. What is the role of regulations?
12. What is the influence of corporate marketing and sales departments on environmental management?

Appendix 6. Semi-structured interview guide used on 4 April 2011 (first interview with BRECO's CEO)

If you were to define the mission of [BRECO] in one statement, what would that be?
2. Referring to the web site, what do you mean by changing market place? How do you prepare the company for that?
3. How would you define the core competencies of [BRECO]?
4. Can you tell me about the region and how its natural specificities influence [BRECO]? “Combining with elements”? Working beyond regulations?
5. How do you apply the concept of transformational leadership to your context? What do you mean by distributed leadership? What did you mean by ‘winning hearts and minds’?
6. Can you tell me about your collaborations with Universities? In what areas are you looking to work with Universities?
7. Do you think that employees can inspire changes?
8. Can you describe the structure of the company (talking only about the brewery)? How many divisions?
9. You made heavy investments in pro-environmental technologies. How would you evaluate the return on investments?
10. Would the concept of lean be applicable to define [BRECO's] operations?
11. Did you consult shareholders about the pro-environmental strategy of the company? How did it happen?
12. How did customers respond to the engagement of [BRECO]?
13. What would you say were the main obstacles to implementing such a business model? The main incentives?
14. Can you tell me about your ‘extra business’ activities? Coastal clean? Where did that come from? Do you have other activities like this one?
15. How do you see the short-term and long-term future of [BRECO]?

Appendix 7. Ethical procedures/Research ethics committee approval

CARDIFF BUSINESS SCHOOL ETHICAL APPROVAL FORM: PHD THESIS RESEARCH

(For guidance on how to complete this form, please see <http://www.cf.ac.uk/carbs/research/ethics.html>)

For Office Use: Ref	Meeting
Does your research involve human participants? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If you have answered 'No' to this question you do not need to complete the rest of this form, otherwise please proceed to the next question	
Does your research have any involvement with the NHS? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If you have answered Yes to this question, then your project should firstly be submitted to the NHS National Research Ethics Service. Online applications are available on http://www.nres.npsa.nhs.uk/applicants/ . It could be that you may have to deal directly with the NHS Ethics Service and bypass the Business School's Research Ethics Committee.	
Name of Student:	Fabien Martinez
Student Number:	0841322
Section:	Marketing & Strategy
Email:	MartinezF@cf.ac.uk
Names of Supervisors:	Prof. Ken Peattie, Dr. Diego Vazquez, Dr Natalia Yakovleva
Supervisors' Email Addresses:	Peattie@cf.ac.uk; VasquezD@cf.ac.uk; YakovlevaN@cf.ac.uk
Title of Thesis:	Operational and Managerial Perspectives on Environmental & Social Responsibility (ESR) Performance
Start and Estimated End Date of Research:	01/11/09- 01/10/12
Please indicate any sources of funding for this research:	ESRC

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1. Describe the Methodology to be applied in the research

The study aims to collect qualitative data to investigate corporate strategies for Environmental and Social Responsibility (ESR) and implications on business economic performance. The methodology comprises different data sources. A selected number of companies (Medium-Size) will be contacted (e.g. [REDACTED]). The objective is to collect data from firms in various industries, using face-to-face, semi-structured interviews with business 'agents' at multiple functional levels. Observation, recording, description, analysis and interpretation of people's behaviour will be used to determine the degree to which they stimulate or hamper environmental performance within their organisation. Secondary data (company documents, reports) shall complement the study – notably to corroborate the findings.

Further interviews (a target of 30-40) will be conducted with business consultants who have insights into corporate environmental performances and are expected to provide practical examples of ESR integration.

2. Describe the participant sample who will be contacted for this Research Project. You need to consider the number of participants, their age, gender, recruitment methods and exclusion/inclusion criteria

Access to interviews/companies will require contacting a range of actors concerned about CSR activities and issues in the

private sector. As proposed above, interview participants are intended to be corporate managers, employees (across the company) and business consultants. Participants are selected according to their influence/knowledge on CSR activities – hence, there is no need to target specific age or gender. 30-40 business consultants shall be interviewed. Access to corporate case studies will determine the total number of interviews. The use of multiple data sources is expected to provide various insights, the combination of which shall produce a credible and valid analysis of the importance of ESR within companies and across industries.

3. Describe the consent and participant information arrangements you will make, as well as the methods of debriefing. If you are conducting interviews, you must attach a copy of the consent form you will be using.

Participants will be contacted by letter (see attached sample), internet or telephone. Arrangements will primarily require presenting the objectives of the project and the reasons for which the prospective informant is selected. The rationale must be clearly laid out to the participants in order to ensure informed consent and to avoid invasions of privacy.

In addition, an interview consent form – a copy of which is attached – will be presented to, filled in and signed by interviewees.

Reporting back to participating organisations will depend on their demand and confidentiality parameters will be agreed with the participants. When contacting them, I offer to provide a feedback report which excludes data collected outside the company and focuses on the company's performance – hence confidentiality shall be preserved.

4. Please make a clear and concise statement of the ethical considerations raised by the research and how you intend to deal with them throughout the duration of the project

Ethics is stated by the ESRC (Economic and Social Research Council) (http://www.esrcsocietytoday.ac.uk/ESRCInfoCentre/Images/Framework%20for%20Research%20Ethics%202010_tcm6-35811.pdf) on the basis of a research ethics framework consisting of six key principles:

1. Research should be designed, reviewed and undertaken to ensure integrity, quality and transparency.
2. Research staff and participants must normally be informed fully about the purpose, methods and intended possible uses of the research, what their participation in the research entails and what risks, if any, are involved.
3. The confidentiality of information supplied by research participants and the anonymity of respondents must be respected.
4. Research participants must take part voluntarily, free from any coercion.
5. Harm to research participants must be avoided in all instances.
6. The independence of research must be clear, and any conflicts of interest or partiality must be explicit.

Corporate social responsibility is a research topic which can potentially stir controversy. My role as a student as well as the general purposes of the project must be clearly communicated to the participants. It is crucial to consider ethical aspects as a means to protect participants from, e.g., potential damage to one's reputation, anxiety, or reprisals from employers.

PLEASE NOTE that you should include a copy of your questionnaire

NB: Copies of your signed and approved Research Ethics Application Form together with accompanying documentation must be bound into your Dissertation or Thesis.

5. Please complete the following in relation to your research:

		Yes	No	n/a
(a)	Will you describe the main details of the research process to participants in advance, so that they are informed about what to expect?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b)	Will you tell participants that their participation is voluntary?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c)	Will you obtain written consent for participation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(d)	Will you tell participants that they may withdraw from the research at any time and for any reason?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(e)	If you are using a questionnaire, will you give participants the option of omitting questions they do not want to answer?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(f)	Will you tell participants that their data will be treated with full confidentiality and that, if published, it will not be identifiable as theirs?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(g)	Will you offer to send participants findings from the research (e.g. copies of publications arising from the research)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PLEASE NOTE:

If you have ticked **No** to any of 5(a) to 5(g), please give an explanation on a separate sheet.
(Note: N/A = not applicable)

There is an obligation on the lead researcher to bring to the attention of Cardiff Business School Ethics Committee any issues with ethical implications not clearly covered by the above checklist.

Two copies of this form (and attachments) should be submitted to Ms Lainey Clayton, Room F09, Cardiff Business School.

Signed



Print Name

Fabien Martinez

Date

21/2/2011

SUPERVISOR'S DECLARATION

As the supervisor for this research I confirm that I believe that all research ethical issues have been dealt with in accordance with University policy and the research ethics guidelines of the relevant professional organisation.

Signed



(Primary supervisor)

Print Name

Kenneth Peattie

Date

21/2/2011

STATEMENT OF ETHICAL APPROVAL

This project has been considered using agreed School procedures and is now approved.

Signed



(Chair, School Research Ethics Committee)

Print Name

TOM ENTWISTLE

Date

21/2/2011

Interview Consent Form

Name of unit: The ESRC Centre for Business Relationships, Accountability, Sustainability & Society.

PhD Thesis: Operational and Managerial Perspectives on Environmental & Social Responsibility (ESR) Performance

Supervisors: Prof. Ken Peattie (Peattie@cardiff.ac.uk), Dr. Diego Vazquez (VazquezD@cardiff.ac.uk) at 55 Park Place, CF10 3AT, Cardiff, United Kingdom

Cardiff Business School

1. I agree to be interviewed for the purposes of the student assignment named above.
 2. The purpose and nature of the interview has been explained to me, and I have read the assignment and/or information sheet as provided by the student.
 3. I agree that the interview may be electronically recorded.
 4. Any questions that I asked about the purpose and nature of the interview and assignment have been answered to my satisfaction.
 5. I understand that I may withdraw from the research at any time and for any reason.
 6. Choose a), b) **or** c):
 - a) I agree that my name may be used for the purpose of the assignment only and not for publication
- OR**
- b) I understand that the student may wish to pursue publication at a later date and my name may be used.
- OR**
- c) I do not wish my name to be used or cited, or my identity otherwise disclosed, in the assignment.

Name of interviewee _____

Signature of interviewee _____

Date _____

-
7. I have explained the project and the implications of being interviewed to the interviewee and I believe that the consent is informed and that he/she understands the implications of participation.

Name of interviewer _____

Signature of interviewer _____

Date _____

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Appendix 8. Coding process: compatibility analysis

Core category	Data inclusion parameter	Units of data	Line-by-line codes	Focused codes (and frequencies)
Trade-off	Mention of a perceived/real conflict between green and business performance	Business consultants		
		<p><i>'There is still a group of businesses for which environmental issues are simply a burden. It's something that has to be tackled in a way that avoids them being embarrassed and generates immediate gains' (INF₂).</i></p> <p><i>'It is very much about casting negative light, it is avoiding things that could be bad, avoiding fines, avoiding embarrassment, avoiding being bottom of the league' (INF₂).</i></p> <p><i>'In manufacturing, the waste is unlikely to be fully recycled. So you can see the trade-offs are very quickly there; with economic performance, you will damage the environment' (INF₁₁).</i></p>	<p>Green as a burden; desirable only to the extent that tangible benefits are foreseen.</p> <p>Green perceived as a threat to business reputation; focus on reducing threat instead of reducing environmental impact.</p> <p>Trade-offs are inevitable, pessimistic prospects for ESR integration</p>	Lackadaisical approach (110)
		<p><i>'They don't try to solve the conflict between their activities and the environment only because of regulatory pressure, they do that work either to inform strategic decisions, helping them to implement strategic decision or because they think that they will gain competitive advantage' (INF₁).</i></p> <p><i>'The principal difficulty, from a business perspective. Is that the bottom line comes first. A company is to be financially healthy to be able to afford a green attitude' (INF₃).</i></p> <p><i>'The only reason why they managed to reduce the impact is that a few of them in the company cared for ecological matters' (INF₂₃).</i></p>	<p>Environmental issues are addressed because of the business benefits the activity will generate.</p> <p>Financial performance as a condition to ESR integration.</p> <p>Individuals' values as drivers for ESR integration.</p>	Accommodative posture (132)
		BRECO managers		
		<p><i>'There are trade-offs because we've got trucks that run on diesel but there haven't been many alternatives to date. Now the team works very hard of making sure that we have as full of vehicles as possible. We route and schedule those vehicles very closely to ensure that they are used to their optimal. However, there is trade-off there all the time' (CEO).</i></p> <p><i>'So the only thing left really, if you like, from an environmental perspective, is the transport situation. Transport emits a lot of CO₂ and, we are taking actions to deal with that' (Operations/HR Director).</i></p> <p><i>'For example, at the moment, on kitchenware, we're not on a stage yet when we can get big deliveries to our centre and then big deliveries outside. What we are doing currently is we've got to take it from the suppliers to the stores and the carbon impact of that is massive, is significant. What you've got is 12 stores, that's 12 journeys. We are working to try to get one journey which is here. And then we'll distribute it out from there. It's important to us to make sure we have a tag and keep the tag on when we do that. [...] It should matter to us who, when,</i></p>	<p>The company envisions solutions to reduce trade-offs in distribution.</p> <p>Transport is identified as the most environmentally harmful activity and acted upon.</p> <p>Alternative distribution systems are studied to reduce CO₂ emissions.</p>	Action (31)

		<i>where we get our problems from and alleviate. That's how we can contribute'</i> (Retail Director).		
Ambidexterity	Mention of a (relative) disconnection between green and business performance	Business consultants		
		<i>'They usually seek to devise a system to address issues about which they have no technical understanding but which they are driven to do by legislation'</i> (INF ₂). <i>'I know that some firms are doing the bare minimum; they'd say: 'well we do this and that; it's the regulation and we do it well'; but they can do more with a stronger connection to environmental problems'</i> (INF ₁₉). <i>'I don't believe that companies who purely apply environmental legislation are doing the job with enough scrutiny'</i> (INF ₂₁).	Gap between business competencies and green; legislation as the unique driver. Doing what is regulated is a minimalistic approach; green requires a deeper level of commitment. Compliance with regulations.	Compliance (33)
		<i>'What I observe in practice is this sort of voluntary commitment, kind of symbolic actions... Yes, that might be good for the environment but it doesn't link to the business'</i> (INF ₅). <i>'Philanthropists exist in business. It is their conviction that they must give to society whether it makes business sense or not'</i> (INF ₂₂). <i>'There is no prohibition from doing something positive for the eco-system in business. Voluntarism is quite a common thing to do and sometimes it is about using some resources of the company'</i> (INF ₂₅).	Voluntary initiatives in parallel to business activities. Addressing green issues beyond business rationale. Voluntarism may involve the use of business resources for an activity which is unrelated to the core business.	Philanthropy (22)
		BRECO managers		
		<i>'It was considered a good idea to demonstrate our sort of stakeholder engagement, our responsibility towards community, to use [BRECO] staff at the week end to clean the beach a couple of times a year before the tourists arrive and then clean up after they've gone at the end of the summer'</i> (CEO). <i>'[BRECO] is very proud where it's from, it all links in. It's not about doing it for the sake of doing it, it's doing it because it's the right thing to do. It's about looking after community, looking after the environment, that's what all people should do wherever they live'</i> (Sales Director). <i>'We do accommodate to the idea that sales are not necessarily boosted by green credentials. But that's the way we do things, in the longer term perhaps we will start to see a shift in consumption. Green is part of what we do. We are not necessarily driven by consumers in this area'</i> (Head of Marketing).	Voluntary initiative to signal good corporate citizenship. Sense of responsibility towards the environment and the community without mention of business sense. ESR not depending on the popularity of green credentials among consumers.	Engagement (11)
Synergy	Mention of an existing correlation between green and business performance	Business consultants		
		<i>'You see a lot of leap service, things happening on the surface while the issues require deeper involvement. They'd say: 'yes, we're doing that, we're doing this, we're recycling that'. But that's not really embedded; it's not something that everybody is brought into'</i> (INF ₄). <i>'What we found is that you will have a risk function in a business – risk committees and risk offices – and what they tend to look at are risks that directly arise through their activities or are in the immediate operating context and might affect their ability to function'</i> (INF ₁₃). <i>'There are easy things to be done to become green, it's not complicated you know; reducing waste is good for business and the environment, we all know</i>	Fragmented green activities; ESR integration is not holistic. ESR viable only to the extent that an environmental risk to the business is foreseen. Simplistic approach to green cannot generate integral ESR.	Opportunism (88)

		<p><i>about that. But business is complex and maintaining green performance in a business in the long-term may be very complex because if you don't have it in your corporate values, at some point your commitment will be weak and it will show' (INF₁₈).</i></p> <p><i>'The integration of carbon footprint analysis into commercial politics, into business marketing, into the range of products is likely to aid companies to differentiate in certain market' (INF₂₂).</i></p> <p><i>'If they are idealistic, then the chances are much higher that they can sort of combine environmental and economic performance because they see opportunities for progress out there' (INF₁₄).</i></p> <p><i>'With companies, we found out that [ESR] could have an interest with regards to markets, and business performance in these markets' (INF₁₈).</i></p>		
		<p>BRECO managers</p> <p><i>'I think, as environmental legislation gets tightened down, if you can't comply, you're likely to have to pay for that. So ultimately there is an element of competitive advantage in this environment and we are very much equipped to face it' (CEO).</i></p> <p><i>'We have objectives in terms of quality and we measure that in terms of returns. We have objectives in terms of energy usage, gas, electricity, water, effluent; obviously all have environmental impacts but also have financial impact. Since we have these objectives, well, we just act towards it with our knowledge and technology' (Head Brewer).</i></p> <p><i>'It looks like we are well equipped to reduce our impact. The technology we acquired and currently use gives us this confidence' (Retail Director).</i></p>	<p>Prospects of stronger market impact through green.</p> <p>Idealism, or 'hot' cognition, widens the scope of strategic interests to integrate green as business opportunity for progress.</p> <p>Prospects of stronger market impact through green.</p>	<p>Progress (87)</p>
		<p>Business consultants</p> <p><i>'We realise that green washing has a negative effect. It can have a positive effect in the short term but in the long term, it's a strong backlash' (INF₁₅).</i></p> <p><i>'When I see sustainable managers attached to communication services. It talks to itself. It's a way of shedding light on things which are done, may be without great leverage for action' (INF₁₇).</i></p> <p><i>'There are some, frankly, who make some efforts for the environment by pure opportunism. I am clear [...] It will be used to communicate' (INF₁₈).</i></p> <p><i>'I think the best companies you visit, particularly multi-nationals, have been very systematic about it [referring to green]. They've put measurements in place; they've put in place a lot of employee involvement and pride in the environmental standards that they achieved' (INF₃).</i></p> <p><i>'Doing the right thing is an ideological commitment because these people are not necessarily taking a pragmatic position on it' (INF₄).</i></p> <p><i>'Companies who are successful and reap the benefits, it's because there was a conviction and that behind, they brought the resources to get started' (INF₁₈).</i></p>	<p>Confidence that existing green competencies will boost business performance.</p> <p>BRECO sets clear environmental objectives to facilitate action.</p> <p>Exploitation of green technologies.</p>	<p>Skills (40)</p>
		<p>BRECO managers</p>		
Symbiosis	Mention of a perceived/envisioned interdependency between green and business performance.	<p>Business consultants</p> <p><i>'We realise that green washing has a negative effect. It can have a positive effect in the short term but in the long term, it's a strong backlash' (INF₁₅).</i></p> <p><i>'When I see sustainable managers attached to communication services. It talks to itself. It's a way of shedding light on things which are done, may be without great leverage for action' (INF₁₇).</i></p> <p><i>'There are some, frankly, who make some efforts for the environment by pure opportunism. I am clear [...] It will be used to communicate' (INF₁₈).</i></p> <p><i>'I think the best companies you visit, particularly multi-nationals, have been very systematic about it [referring to green]. They've put measurements in place; they've put in place a lot of employee involvement and pride in the environmental standards that they achieved' (INF₃).</i></p> <p><i>'Doing the right thing is an ideological commitment because these people are not necessarily taking a pragmatic position on it' (INF₄).</i></p> <p><i>'Companies who are successful and reap the benefits, it's because there was a conviction and that behind, they brought the resources to get started' (INF₁₈).</i></p>	<p>Green washing not an effective approach to ESR</p> <p>Focusing on green communications reduces the scope for ESR integration.</p> <p>Instances of businesses using green only as a communication tool.</p>	<p>Cosmetic strategy (88)</p>
		<p>BRECO managers</p>	<p>Strong ESR performance through measurement and collective commitment.</p> <p>ESR integration requires a visionary leadership, not a pragmatic one.</p> <p>ESR is beneficial to the business; it stems from a manager's conviction.</p>	<p>Transformational/Consolidative approach (154)</p>

		<p><i>'Within [BRECO], it goes all the way through our business. We are looking after the environment and being green and looking after the local industry and the local people. I think that is gonna become stronger at the sales point. It's a part of the story. It's telling a story and positioning ourselves away from the competition, so it's not just selling a beer, it's selling our whole lifestyle in a way'</i> (Sales Director).</p> <p><i>'A transformation took place in the early 2000s. [BRECO] became much more attuned to societal matters with a very open internal structure'</i> (Operations/HR Director).</p> <p><i>'We just believe it [ESR] is the right thing to do. So we do our best to spread the message across [BRECO]'</i> (Sales Director).</p>	<p>Present ESR integration as part of the firm's story, a competitive position for enhancing brand reputation.</p> <p>Transformation to integrate moral concerns for societal issues.</p> <p>ESR as a belief to be diffused throughout the business.</p>	<p>Vision (52)</p>
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Appendix 9. Coding process: syncretistic perspective

Core category	Data inclusion parameter	Units of data	Line-by-line codes	Focused codes (and frequencies)
Syncretism from above	Mention of systemic influence	Business consultants		
		<p><i>'Sustainability performance is very much caught up in received wisdoms, in systems so, in a sense, we are not able to push it forward' (INF₁).</i></p> <p><i>'Businesses that I deal with actually have quite a narrow definition of success. The main success parameter is profitability. Insofar as they have any concept of sustainability, that would be that they are still in next year' (INF₂).</i></p> <p><i>'There are so many people in organisations, not only in businesses but specifically in businesses, who say: 'we would like to do things differently, but our shareholders won't let because if we do that we become quickly casted away' (INF₂₄).</i></p> <p><i>'It's very simple black and white cases at the moment. It's clear that you can be pretty conventional, pretty unsustainable and still have a very successful business' (INF₁₃).</i></p>	<p>Systemic constraints impede sustainable development.</p> <p>Pressures for short-term survival shrink the prospects of sustainable development.</p> <p>Shareholders' pressures inhibit the willingness of business agents to engage in ESR.</p> <p>Firms don't need ESR integration to be successful; therefore fragmented commitment can be deemed reasonable.</p>	<p>Separation Syncretism fails (130)</p>
		<p><i>'To some extent. Taking action in terms of their environmental responsibility will first of all be in areas like regulation. If there is a legislative dimension or imperative, then they will take action' (INF₃).</i></p> <p><i>'It is generally quite fragmented. Companies can do well in some areas but, if there is a profit opportunity that can mean that there will be a compromise in terms of the environment' (INF₇).</i></p> <p><i>'I think that regulations may be a way forward for companies. Some business practitioners I know have used them in a sort of informative way to move on to a more proactive way of dealing with environmental issues' (INF₁₉).</i></p>	<p>ESR efforts limited to compliance, the firm reacts to the regulatory context.</p> <p>Environmental performance is not linear; different levels can be found within one and the same company.</p> <p>Regulations enable ESR; they may also inspire a way forward for integral ESR.</p>	<p>Convergence Syncretism is partial (82)</p>
		<p><i>'Companies with massive financial capital do a lots of things for the environment because they can afford to do it and they do it very well. If you are good in business, you may be better in the environment' (INF₁₁).</i></p> <p><i>'I met a business owner who supplies one of my clients. He told me clearly that he doesn't want his business to generate millions and millions; he is convinced that the profits he could make now at the expense of the environment will not spare future generations from facing an ecological disaster' (INF₂₃).</i></p> <p><i>A good company should have a strong economic power and this should not necessarily a sign of bad ethics... Money is not systematically opposed to ethics; they can often go along successfully' (INF₂₄).</i></p>	<p>Financial performance facilitates environmental performance.</p> <p>Profit is not the only duty; the environmental cause also is urgent.</p> <p>Business success and ESR may be combined successfully</p>	<p>Infiltration Syncretism is complete (111)</p>
		BRECO managers		
<p><i>'You have to remember those kinds of activities are going to bring advocacy but are not gonna develop sales. So somebody might love [BRECO] but buy nothing. So it's kind of balancing brand profile with actual commercial return as well'</i></p>	<p>Green as a catalyst for reputation, not for sales.</p> <p>Market conjecture impeding ESR</p>	<p>Separation (12)</p>		

		<p>(Head of Marketing). <i>'That's what is happening around the country. These little small or micro are setting up and picking off those local pubs whereas we are more a national brand but we can't compete with the local intensity of you see what I mean'</i> (Sales Director)</p> <p><i>'We have been denied allowances on the majority of the building [distribution centre] costs involved. We continue to believe that government policy in this area is misconceived. The granting of allowances for energy-intensive plant and the denial of allowances for buildings which replace the need for such plant cannot be a sensible policy for a government which claims to have a green agenda'</i> (Chairman, Annual Report 2011).</p>	<p>integration. Regulations not providing favourable premise for ESR integration.</p>	
		<p><i>'Green credentials are not clearly boosting sales but I think that they contribute. This will be more obvious as environmental concerns continue to grow among our consumers'</i> (Head of marketing).</p>	<p>The link between green and sales is indeterminate; yet it is hoped to become stronger.</p>	<p>Convergence (14)</p>
		<p><i>'The media and some shareholders, not all shareholders, most shareholders buy into our long view but some shareholders still have quite a short term perspective. So you have got a raw tension between working for the long term and delivering in the short term... But since our shareholders, by large, share our model...'</i> (CEO).</p> <p><i>'We invested a lot of money in green technologies. In this sense, we can say that we do business in a very ethical way and ecological responsiveness is part of our approach to economic challenges. It's always this idea of cost versus profit'</i> (Head of Marketing).</p> <p>The chairman <i>'had an idea about what the business model. It should be driven by, and it should contribute to, community welfare and environmental issues are part of our concerns'</i> (Retail Director).</p>	<p>ESR approved by most shareholders. An ecological approach to economic challenges. A socially responsible business model.</p>	<p>Infiltration (32)</p>
		Business Consultants		
Syncretism from below	Mention of an individual construct	<p><i>'Some of the business people I worked with do get involved in some sorts of eco-friendly activities because they care for these matters. They just don't see it linking with the core business; there is no strategic or marketing intent in that'</i> (INF₉).</p> <p><i>'I did realise that an essential attribute is the commitment of individuals. If you don't get buy-in, your environmental footprint will suffer from isolated deviant behaviours'</i> (INF₆).</p> <p><i>'One may have a belief that green is the right thing to do but there can be structural obstacles. Sometimes, being green does not work well with business because we are entrenched in a system in which a successful business exploits resources in the environment'</i> (INF₉).</p>	<p>The environmental sensitivity of business agents does not necessarily link to systemic conditions. ESR is impeded when individuals fail to endorse environmental ethos. Individual beliefs/values may not suffice because of a business focus on exploiting environmental resources rather than ESR.</p>	<p>Separation (76)</p>
		<p><i>'For sure, if you have ideals you will get things done, especially if you are in a position to do so. But some parts of the organisation may still act in a way that is detrimental to our eco-system, that's the problem in business'</i> (INF₂).</p> <p><i>'This leader was very much happy to take actions on environmental issues, even in the form of philanthropy. He was assuming that philanthropy might pay off in the long run'</i> (INF₅).</p> <p><i>'This is a company that started to make the shift to a more environmentally aware</i></p>	<p>Ideals may enhance ESR but the effect may not get across the entire company. Philanthropy perceived as a long-term business benefit. An individual's interest for environmental issues may be a first step to ESR integration.</p>	<p>Convergence (52)</p>

		<p>organisation. A new chief executive was appointed and a number of business principles and environmental ethos started to emerge. They actually recruited a specialist who will do carbon footprint analysis, etc. This is a first step and they already show some good results but there is still a long way to go' (INF₁₉).</p>		
		<p>'Most of the time, there is somebody in the organisation who cares about environmental issues. That's how it [referring to ESR integration] begins: they take an ethical stance' (INF₄).</p> <p>'Intellectual capital is paramount to business development. Companies usually have this capital to be able to devise innovative solutions with regard to the environment' (INF₁₀).</p> <p>ESR 'depends on things like personal issues. He's the boss of the company, what kind of person he is' (INF₁₄).</p>	<p>ESR is driven by individual's sensitivity to green issues.</p> <p>ESR integration is determined by the intellectual capital – i.e. absorptive, learning and innovation potential within the firm.</p> <p>Leadership style influences ESR integration.</p>	Infiltration (65)
BRECO Managers				
		<p>'We are just convinced that our engagement, the things we do outside the business, will benefit us, the community and our company in the very long-term' (Operations/HR Director).</p> <p>'Our decision to invest in eco-friendly infrastructures is not yet supported clearly enough by legislation, that's true. But we hope they will catch up' (CEO).</p>	<p>Philanthropy may benefit the company.</p> <p>Regulations are expected to catch up so that they may provide an advantage to BRECO.</p>	Convergence (20)
		<p>'That's what I mean about distributed leadership: it doesn't all vest in one individual, actually it's a collective message' (CEO).</p> <p>'The culture changed towards what we described as rather than talking the talk, walking the walk. So we turned it into a company that is led by values. Part of our values was community, part of our values was to people, and part of our values was not to have a negative impact on the environment because global awareness is much more significant than it was years ago' (Operations/HR Director).</p> <p>'Everyone contributes. And actually, I will suggest that the best ideas we've got, the ones that are best bought, in particular by the customers, have come from our staff in stores, or the staff in the offices. They haven't always come from the senior team, they've come from the people who work in our ends' (Retail Director)</p>	<p>Shared leadership allows for collective commitment to ESR integration.</p> <p>Green is part of the business culture.</p> <p>ESR integration is a collective effort, at both managerial and operational levels.</p>	Infiltration (43)
Business Consultants				
Lateral syncretism	Mention of corporate awareness about environmental issues	<p>'Businesses tend to look at the risks to the current business model that arise directly, not extrinsic risks... For example, if, somehow and in an indirect way, their activities affect biodiversity, they won't really feel concerned because they don't see it happening' (INF₈).</p> <p>'The manager was resistant to change because he thought, well, I've done this, that's all I need to do. He hasn't actually moved on to thinking about well if we look, think more creatively, more innovatively about our whole production process and distribution, etc; if we put some efforts into that, then we'll achieve more sustainable product and a much more sustainable business' (INF₁₂).</p>	<p>Narrow perspective on risk identification impedes ESR integration.</p> <p>Narrow management vision hampers ESR integration.</p>	Separation (37)
		<p>'Reducing its impact on the environment is far from simple. One must think large so that, at some point in time, our activities will not be as environmentally harmful as they are now, we have to think our way through' (INF₁₀).</p>	<p>ESR vision as indicator of convergence between green and business performance.</p>	Convergence (15)

		<p><i>'Companies need to step beyond the sort of production systems with all their rigidities and open up the dialogue between communities and companies/citizens and companies to explore how they might actually get to more sustainable innovation'</i> (INF₁).</p> <p><i>'Firms need to be aware about important trends; they need to position themselves in the face of some issues which they see as important'</i> (INF₂).</p> <p><i>'We try to analyse the social and environmental trends that they are subject to and that they give rise to, so risks to the trends from their activities'</i> (INF₄).</p>	<p>Need to build awareness about environmental issues.</p> <p>Sensing the importance of an issue and taking a posture towards it.</p> <p>Awareness about business impact on the environment and environmental impact on business.</p>	<p style="text-align: center;">Infiltration (112)</p>
BRECO Managers				
		<p><i>'We've built a number of buildings in this area with outstanding natural beauty. We've had no problems in getting planning permissions because we've built buildings that are sympathetic to the environment and actually enhance the environment rather than detract from it'</i> (CEO).</p> <p><i>'We've got those bin bags in the store which are recycled material and that came from the colleagues working there saying that we don't want to be using plastic bags, we don't want to be creating this waste and this pollution, what we want to do is find an alternative. And the business went away to look for it'</i> (Retail Director).</p> <p><i>'We try to keep in touch with latest technology development and the cost of them... we know where we need to improve'</i> (Head Brewer).</p>	<p>The firm's distribution depot blends with the environment.</p> <p>Individual commitment to reduce the firm's environmental impact.</p> <p>Efforts to find the strongest environmental technologies to improve business efficiency and reduce the environmental impact. .</p>	<p style="text-align: center;">Infiltration (54)</p>

Appendix 10. BRECO's carbon footprint report

Carbon Report for Statutory Accounts

Total Carbon Emission for Company	Tonnes of CO2	
	2010	2009
Carbon Resulting from fuels used for combustion, owned transport, process emissions,	2,283	2,187
Carbon emissions from purchased electricity	1,181	1,314
	<u>3,464</u>	<u>3,501</u>

Emission attributable to specific areas of the business

Production

Carbon	1525	1546	Inc Carpenters
Barrels produced	80,130	86,676	
Tonnes of CO2 per barrel produced	0.0190	0.0178	

Distribution

Carbon	902	994	
Barrels delivered	115,244	103,570	Tied, hotels, direct, national
Tonnes of CO2 per barrel delivered	0.0078	0.0096	

Retail

Carbon	107	87	
Turnover (£'000)	6,570	6,093	
Tonnes of CO2 per £1,000 of sales	0.0163	0.0143	

Hotels and Managed Houses

Carbon	316	236	Hotels, Managed Houses, and accomodation
Turnover (£'000)	5,420	5,588	
Tonnes of CO2 per £1,000 of sales	0.0583	0.0422	

GHG Emission Measurement System, [REDACTED]

Balance Sheet 2009

Data are in tonnes CO₂ equivalent

Business Area	Emissions (scope 1,2)				Total	2008 Total	Notes
	Gas	Electricity	Transport	Process/ Fugitive			
1 Offices					54.50	95.60	
1.1 [REDACTED]	9.60	36.18			45.78	76.23	
1.2 [REDACTED]	6.38	2.34			8.72	19.38	
1.3 [REDACTED]	9.62	15.86			25.48	0.00	
2 Brewery	690.83	554.76		283.26	1,528.85	1,718.50	
3 Distribution Centre	20.84	144.97	828.20		994.01	941.70	incl offices at DC and transport fleet
4 Hotels					643.14	677.26	
4.1 [REDACTED]	192.47	136.10			328.58	361.43	incl Annex
4.2 [REDACTED]	103.83	125.34			229.17	205.07	
4.3 [REDACTED] erswick	0.00	85.39			85.39	110.75	
5 Shops					169.00	188.58	
5.1 [REDACTED] new	7.72	56.28			64.00	75.28	
5.2 [REDACTED] 2 (wine)	0.00	5.41			5.41	4.56	
5.3 [REDACTED]	0.00	19.36			19.36	17.18	
5.4 [REDACTED]	0.00	11.36			11.36	13.43	
5.5 [REDACTED]	0.00	8.44			8.44	5.85	
5.6 [REDACTED]	0.00	8.21			8.21	5.91	
5.7 [REDACTED]	0.00	12.34			12.34	17.18	
5.8 [REDACTED]	0.00	10.80			10.80	18.80	
5.9 [REDACTED]	0.00	10.85			10.85	12.67	
5.10 [REDACTED]	0.00	18.21			18.21	17.72	
6 Others					86.68	110.64	
6.1 [REDACTED]	0.00	0.00			0.00	0.00	
6.2 [REDACTED]	0.00	0.00			0.00	0.00	
6.3 [REDACTED]	0.00	0.00			0.00	4.26	
6.4 [REDACTED]	4.71	12.33			17.04	15.86	
6.5 [REDACTED] rms	12.59	5.87			18.46	23.97	
6.6 [REDACTED] of [REDACTED]	1.29	1.60			2.88	4.84	
6.7 [REDACTED] of [REDACTED]	2.58	2.40			4.98	11.17	
6.8 [REDACTED] ows nest	0.00	0.00			0.00	2.06	
6.9 [REDACTED] me, [REDACTED]	4.60	1.59			6.19	5.98	
6.10 [REDACTED] rd	2.93	1.31			4.24	5.32	
6.11 [REDACTED] terrace	0.00	0.00			0.00	0.00	
6.12 [REDACTED] ke Rd	4.84	6.06			10.89	12.70	
6.13 [REDACTED] ket place	0.00	0.00			0.00	0.00	
6.14 [REDACTED] yard	0.00	18.33			18.33	20.27	
6.15 [REDACTED] St	1.35	2.32			3.67	4.21	
TOTAL	1,076.16	1,314.04	828.20	283.26	3,501.66	3,932.28	

GHG Emission Measurement System, ██████████ Balance Sheet 2010

Data are in tonnes CO₂ equivalent

Business Area	Emissions (scope 1,2)				Total	Emissions (scope 1,2)				2009 Total	Notes
	Gas	Electricity	Transport	Process/Fugitive		Gas	Electricity	Transport	Process/Fugitive		
1	Offices				39.47					54.50	
	1.1 Main office new, ██████████	10.72	14.07		24.79	11.38	64.85			45.78	
	1.2 55 Vicoria St, ██████████	12.88	1.80		14.68	16.63	2.75			8.72	
	1.3 Malt Store	9.22	16.45		25.67					25.48	
2	Brewery	697.62	547.14		1,507.59	711.02	487.48		520.00	1,528.85	
3	Distribution Centre	15.83	18.25	867.80	901.87	29.54	132.16	780.00		994.01	transport fleet
4	Hotels				730.95					643.14	
	4.1 ██████████	229.00	188.69		417.69	205.31	156.12			328.58	Incl Annex
	4.2 ██████████	123.08	118.72		241.80	100.00	105.07			229.17	
	4.3 ██████████	0.00	71.47		71.47	?	110.75			85.39	
5	Shops				188.64					169.00	
	5.1 New	11.07	58.26		69.33	4.40	70.88			64.00	
	5.2 2 (wine) ██████████	0.00	5.40		5.40		4.56			5.41	
	5.3 ██████████	0.00	23.13		23.13		17.18			19.36	
	5.4 ██████████	0.00	15.05		15.05		13.43			11.36	
	5.5 ██████████	0.00	10.46		10.46		5.85			8.44	
	5.6 ██████████	0.00	10.67		10.67		5.91			8.21	
	5.7 ██████████	0.00	11.82		11.82		17.18			12.34	
	5.8 ██████████	0.00	10.34		10.34		18.80			10.80	
	5.9 ge ██████████	0.00	12.72		12.72		12.67			10.85	
	5.10 ██████████	0.00	16.19		16.19		17.72			18.21	
	5.11 ██████████	0.00	3.54		3.54						
6	Others				69.50					86.68	
	6.1 stables	0.00	0.00		0.00		0.00			0.00	
	6.2 sales room	0.00	0.00		0.00		0.00			0.00	
	6.3 engineers	0.00	0.00		0.00	0.40	3.86			0.00	
	6.4 carpenters ██████████	5.11	12.38		17.49	4.47	11.39			17.04	
	6.5 Arms ██████████	18.18	5.23		23.41	15.81	8.16			18.46	
	6.6 40 Cheren St. ██████████	0.00	0.35		0.35	3.28	1.56			2.88	
	6.7 44 Church St, ██████████	0.00	0.00		0.00	4.33	6.84			4.98	
	6.8 Flat 81A Crows nest	0.00	0.00		0.00	2.06	0.00			0.00	
	6.9 6a Pinkney	5.52	2.09		7.61	4.45	1.53			6.19	
	6.10 9B chester rd	0.00	0.00		0.00	4.28	1.04			4.24	
	6.11 2 ponsonb	0.00	0.00		0.00	0.00	0.00			0.00	
	6.12 Stradbrooke Rd	1.30	0.12		1.42	3.21	9.49			10.89	
	6.13 Flat 21 market place	0.00	0.00		0.00		0.00			0.00	
	6.14 4 Youngs yard	0.00	0.00		0.00		20.27			18.33	
	6.15 27 A High St	0.19	0.04		0.24	3.81	0.40			3.67	
	6.16 94 High Street	0.56	5.20		5.76						
	6.17 Kingfisher Crescent	11.90	0.70		12.61						
	6.18 21 Church Street	0.15	0.46		0.62						
TOTAL		#####	#####	867.80	262.83	###	#####	#####	980.00	520.00	3,501.66